

SPECIAL ORDINANCE NO. 99-83

AMENDED

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,420,000 ECONOMIC DEVELOPMENT REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, IN ORDER TO ASSIST HEALTH CARE FUND IN THE FINANCING OF COSTS OF AN ECONOMIC DEVELOPMENT FACILITY; AUTHORIZING THE ISSUANCE OF ADDITIONAL BONDS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SAID BONDS; AUTHORIZING A LOAN AGREEMENT WITH RESPECT TO THE PROCEEDS DERIVED FROM THE SALE OF SAID BONDS; AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF SAID BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT WITH THE ORIGINAL PURCHASER; AND AUTHORIZING THE ASSIGNMENT BY THE CITY OF A NOTE AND LOAN AGREEMENT.

WHEREAS, the City of Fort Wayne, Indiana (hereinafter called the "Issuer") is by virtue of the laws of Indiana, including Indiana Code 36-7-12, as amended, authorized and empowered, among other things, (a) to issue revenue bonds in order to assist in the financing of costs of economic development facilities located within the boundaries of the Issuer, (b) to enter into an agreement with the user of such facilities providing for revenues sufficient to pay the principal of and interest and any premium on such revenue bonds, (c) to secure such revenue bonds by a trust agreement between the Issuer and a corporate trustee, and by a pledge and assignment of such revenues, as provided for herein, and (d) to enact this Bond Legislation and enter into the Indenture and the Loan Agreement, as hereinafter identified, upon the terms and conditions provided therein; and

WHEREAS, HEALTH CARE FUND is a business trust duly organized and existing under and by virtue of the laws of the State of Ohio and qualified to do business in the State of Indiana; and

WHEREAS, it is hereby determined by this Legislative Authority that the acquisition, construction, and equipping of the Project by the Company, as hereinafter defined, including the financing thereof will require the issuance, sale and delivery of Project Bonds in the principal amount of \$1,420,000 and hereafter may require the Issuer's issuance, sale and delivery of Additional Bonds on a parity therewith, all of which Bonds shall be equally and ratably payable and secured as provided herein and in the Indenture authorized herein;

NOW THEREFORE, BE IT RESOLVED BY THE Common Council of the City of Fort Wayne, Indiana:

Section 1. Definitions. In addition to the words and terms elsewhere defined in this Bond Legislation or in the Agreement and used herein as defined words and terms, the following words and terms as used in this Bond Legislation and in the Indenture authorized herein shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

"Act" means Indiana Code 36-7-12, as enacted and amended.

"Additional Bonds" means Bonds issued pursuant to Section 7 of this Bond Legislation.

"Agreement" means the Loan Agreement, provided for in Section 11 hereof, between the Issuer and the Company, dated as of June 1, 1983, as the same may be duly amended, modified or supplemented in accordance with the provisions thereof.

"Assignment" means the Assignment of Rents and Leases, of even date with the Agreement, from the Company to the Trustee.

"Bonds" means the Project Bonds and any Additional Bonds issued and to be issued pursuant to the Indenture.

"Bond Fund" means the Bond Fund created by Section 6 hereof.

"Bond Fund Payment" means as to the Project Bonds an amount equal to the interest accrued on the Project Bonds from their date to the date of their delivery to the Original Purchaser and payment therefor and as to the Additional Bonds the amount specified in the Bond Legislation authorizing such Additional Bonds, provided that the Bond Fund Payment for any Additional Bonds shall not be less than an amount equal to the interest accrued on such Additional Bonds from their date to the date of delivery of such Additional Bonds to their Original Purchaser and payment therefor.

"Bondholder" or "holder" or "holder of Bonds" means any person who is the bearer of a coupon Bond which is not registered as to principal or the principal of which is registered to bearer, or the person in whose name a registered Bond is registered, and "holder" when used with reference to a coupon means the bearer of the coupon.

"Bond Legislation" means this ordinance authorizing the Project Bonds, except that when used with reference to an issue of Additional Bonds it shall mean this Bond Legislation to the extent applicable and the other legislation providing for the issuance of such Additional Bonds, and except that when used with reference to Bonds when Additional Bonds are outstanding it shall mean this Bond Legislation and the Bond Legislation providing for the issuance of Additional Bonds, all as the same may from time to time be lawfully amended, modified or supplemented.

"Bond Purchase Agreement" means the bond purchase agreement, by and between the Issuer, the Company and the Original Purchaser, pertaining to the purchase of the Project Bonds.

"Bond service charges" for any time period means the principal, including any mandatory sinking fund

requirements, interest, and redemption premium, if any, required to be paid by the Issuer on the Bonds for such time period.

"City Clerk" means the City Clerk or acting City Clerk of the Issuer.

"Code" means the Internal Revenue Code of 1954, as amended, and with respect to a specific section thereof such reference shall be deemed to include (i) the regulations promulgated under such section, (ii) any successor provision of similar import hereafter enacted, (iii) any corresponding provisions of any subsequent Internal Revenue Code, and (iv) the regulations promulgated under the provisions described in (ii) and (iii).

"Commission" means the Fort Wayne, Indiana Economic Development Commission.

"Company" means Health Care Fund, an unincorporated Ohio business trust operating as a real estate investment trust pursuant to Sections 856 to 860, inclusive, of the Code and its successors and assigns including any surviving, resulting or transferee entity as provided in Section 6.3 of the Agreement.

"Construction Fund" means the Construction Fund created by Section 5 hereof.

"Coupon" or "interest coupon" means a coupon issued hereunder evidencing an installment of interest on a coupon Bond.

"Coupon bond registered as to principal" means any coupon Bond at the time registered as to principal in the name of the Bondholder.

"Determination of Taxability" means the final adoption of legislation or regulations or a final determination, decision, decree, ruling or technical advice by any judicial or administrative authority or by the Internal Revenue Service as a result of the limitations prescribed in Section 103(b)(6) of the Code having been exceeded, any of which has the effect of requiring interest on the Bonds to be included in the gross income for Federal income tax purposes of the holder or registered owner of the Bonds (other than a holder or registered owner who is a "substantial user" of the Project or a "related person" as those terms are used in Section 103(b)(13) of the Code). A decision or ruling by any judicial or administrative authority shall not be considered final for the purposes of this definition until the expiration or waiver of all periods for judicial review or appeal, as the case may be, in which review or appeal the Company has participated or has had an opportunity to participate. Such determination shall be deemed to have occurred upon receipt by the Trustee of evidence thereof.

"Eligible Investments" means (i) obligations issued or guaranteed by the United States of America, or by any person controlled or supervised by and acting as an

instrumentality of the United States pursuant to the authority granted by Congress, the payment of the principal and interest of which is fully and unconditionally guaranteed by the United States of America; (ii) obligations issued or guaranteed by any state or political subdivision thereof rated A or higher by Moody's Investors Service, Inc. or by Standard & Poor's Corporation, both of New York, New York, or their successors; (iii) open market commercial or finance paper of any corporation having a net worth in excess of \$100,000,000 and which is rated either P-1 or A-1 or an equivalent by Moody's Investors Service, Inc. or Standard & Poor's Corporation, both of New York, New York, or their successors; (iv) investments due within 12 months in certificates of deposit issued by, or bankers' acceptances of, the Trustee, or of banks, savings banks, savings and loan associations or trust companies organized under the laws of the United States of America or any state thereof, which must have a reported capital and surplus of at least \$10,000,000 in dollars of the United States of America; (v) regular savings accounts of bank or trust companies, including the Trustee, or of savings and loan or building and loan associations, organized under the laws of the United States of America or of the State, which institution has a reported capital and surplus of at least \$10,000,000 in dollars of the United States of America; provided, however, that at no time shall any sum in excess of \$5,000 be invested in any savings account; (vi) repurchase agreements, including the Trustee's, fully secured by obligations of the type specified in (i) above; and (vii) regulated money market funds invested in United States government obligations; provided that any such investment or deposit is not prohibited by law.

"Event of Taxability" means the date on which the interest payable on the Bonds becoming includable in the gross income for federal income tax purposes of the holder or registered owner of the Bonds (other than a holder or registered owner who is a "substantial user" of the Project or a "related person" as those terms are used in Section 103(b)(13) of the Code).

"Executive" means the Mayor of the Issuer.

"Indenture" means the Trust Indenture, provided for in Section 10 hereof, between the Issuer and the Trustee, of even date with the Agreement, including this Bond Legislation as part thereof, as the same may be amended, modified or supplemented in accordance with the provisions thereof.

"Lease" means the lease agreement to be executed between the Company and the Lessee pursuant to which the Project will be leased for operation by the Lessee, which Lease shall be subordinate to the Mortgage.

"Legislative Authority" means the Common Council of the Issuer.

"Lessee" means Cal-Temp Manor, Inc., an Indiana corporation (which proposes to enter into the Lease with the Company), and any other lessee of the Company or any subsequent assignee of the initial Lessee.

"Loan" means the loan by the Issuer to the Company of the proceeds from the sale of the Project Bonds to the Original Purchaser, after deducting the Bond Fund Payment, as the same may hereafter be increased from the proceeds from the sale of Additional Bonds.

"Loan Payments" means the amounts required to be paid by the provisions of Section 2.1 of the Agreement, as the same may hereafter be amended or supplemented, in repayment of the Loan.

"Mandatory Redemption Date" means May 1 of the years, and as to any Additional Bonds, the date or dates specified in the applicable Bond Legislation on which such Additional Bonds are to be retired pursuant to mandatory sinking fund requirements. As appropriate, the maturity date denoting a particular series of Project Bonds shall be used in conjunction with the term "Mandatory Redemption Date".

"Mandatory sinking fund requirements" means amounts required by any Bond Legislation to be deposited in the Bond Fund for the purpose of retiring, on a specified date, principal maturities of Bonds which by their terms are due and payable, if not called for prior redemption, at a subsequent date.

"Mortgage" means the Mortgage and Security Agreement pertaining to the Project Site and the Project from the Company, as mortgagor, to the Trustee, as mortgagee and secured party, of even date with the Agreement, and any amendment and supplements thereto.

"Note" or "Notes" means the Promissory Note of even date with the Agreement constituting an unconditional promise of the Company to repay the Loan to the Issuer, and in the form of Note attached as Exhibit A to the Agreement, and any additional promissory Note or Notes executed and delivered with respect to Additional Bonds.

"Original Purchaser" means, as to the Project Bonds, Raymond, James & Associates, Inc. and, as to Additional Bonds, the person or persons identified as such in the Bond Legislation providing for the issuance of such Additional Bonds.

"Pledged Receipts" means (a) the Loan Payments, including the payments of principal of and interest and any premium on the Note, (b) subject to the provisions of Sections 3.04 and 8.02 of the Indenture with respect to the Trustee holding moneys for the benefit of the holders of particular Bonds, all other moneys received by the Issuer, or the Trustee for the account of the Issuer, pursuant to the Agreement or in respect to the Loan, (c) the proceeds of the Bonds including all moneys deposited in the Construction Fund and (d) the income and profit from the investment of the Loan Payments, any other moneys held by the Trustee under the Indenture, and the moneys deposited in the Construction Fund.

"Project" means the real, personal, or real and personal property, including undivided or other interests therein, identified in Exhibit B to the Agreement, in or pursuant to any amendments to the Agreement, and in the certificate of the Project Supervisor given pursuant to Section 3.3 of the Agreement, and acquired, constructed or installed in replacement or substitution therefor or in addition thereto, and as may result from a revision of the Plans and Specifications (as defined in the Agreement) in accordance with the provisions of the Agreement.

"Project Bonds" means the Bonds authorized in Section 3 hereof and designated "Economic Development Revenue Bonds (Health Care Fund Project)".

"Project Purposes" means the purposes of an economic development facility as described in the Act.

"Project Site" means the real estate constituting the site of and a part of the Project, which real estate is described in Exhibit C to the Agreement.

"Registered Bonds" means Bonds registered in the name of the holder, including coupon Bonds registered as to principal (except to bearer).

"State" means the State of Indiana.

"Trustee" means the Trustee at the time serving under the Indenture, originally Anthony Wayne Bank, Fort Wayne, Indiana, as Trustee, and any successor Trustee as determined or designated under or pursuant to the Indenture.

Any reference herein to the Issuer, to the Legislative Authority, or to any officers thereof, shall include any entity which succeeds to its or their functions, duties or responsibilities pursuant to or by operation of law. Any reference to a section or provision of the Act shall include such section or provision or chapter as from time to time amended, modified, revised, supplemented, or superseded; provided, however, that no such change (a) shall alter the obligation to pay the Bond service charges in the amounts and manner, at the times, and from the sources provided in the Bond Legislation and the Indenture, except as otherwise herein permitted or (b) shall be deemed applicable by reason of this provision if such change would in any way constitute an impairment of the rights of the Issuer or the Company under the Agreement or the Indenture.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof", "hereby", "hereto", "hereunder", and similar terms, mean this Bond Legislation and the Indenture.

Section 2. Findings and Determinations of Legislative Authority. The Legislative Authority hereby determines:

- (a) that the initial resolution adopted by the Commission on March 3, 1983, and the initial resolution of the Legislative Authority adopted on March 22, 1983, are hereby found to be in the best interest of the Issuer and are in all respects approved, ratified, confirmed, readopted and declared to be and remain in full force and effect;
- (b) that the financing of the Project, previously approved by the Commission and recommended to the Legislative Authority, the issuance and sale of the Bonds, the use of the net proceeds thereof to make a loan to the Company for the acquisition, construction and equipping of the Project, and the payment of the Bonds by the payments of the Company under the Loan Agreement will be of benefit to the health and welfare of the Issuer, and its citizens, in furtherance of the purposes of the Act;
- (c) that the financing of the Project by the Issuer complies in every respect with the purposes and provisions of the Act; and
- (d) that the Project will not have an adverse competitive effect on similar facilities already constructed and operating in Allen County, Indiana.
- (e) based upon representations made by the Company to the Issuer, the Issuer hereby determines that the aggregate cost of the Project will be not less than \$1,420,000.

In support of the determination set forth in paragraph (d) above, the Legislative Authority is relying on the evidence presented to the Commission and contained in the minutes of its meetings on April 7 and May 5, 1983.

Section 3. Authorization and Terms of Project Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided and authorized herein and pursuant to the authority of the Act, \$1,420,000 aggregate principal amount of Project Bonds for the purpose of making a loan to assist the Company in the financing of costs of acquiring, constructing, and equipping the Project and the Project Site to be owned by the Company and used by the Company for the Project Purposes, including costs incidental thereto and to the financing thereof. The Project Bonds shall be designated "City of Fort Wayne, Indiana, Economic Development Revenue Bonds (Health Care Fund Project)". The Issuer may also issue, sell and deliver Additional Bonds on a parity with the Project Bonds for the purposes and in the manner provided in Section 7 of this Bond Legislation.

The Project Bonds shall initially be issued in coupon form and shall be exchangeable for registered or

coupon Bonds in the manner and on the terms provided in the Indenture. Project Bonds in coupon form shall be in the denomination of \$5,000 each, shall be registrable as to principal, shall be dated as of June 1, 1983 and shall be numbered from 1 upwards inclusive.

The Project Bonds shall bear interest from their respective dates at the rates per annum indicated in the schedule below, payable semiannually on June 1 and December 1 of each year, commencing December 1, 1983. The Project Bonds shall mature in accordance with the schedule below.

In the event the Company exercises its option to prepay the Loan as provided in Section 8.2 of the Agreement, the Project Bonds are subject to extraordinary optional redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall exercise its option to prepay the Loan pursuant to Section 8.2 of the Agreement and shall concurrently prepay the Note (or, as provided in said Section 8.4, selection of a prepayment date by the Trustee), shall constitute the direction from the Issuer to the Trustee to call all the then outstanding Project Bonds for extraordinary optional redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

In the event that the Lessee exercises its option to purchase the Project (excluding any assumption, but including any installment purchase in connection with any assumption) as provided in the Lease, the Project Bonds are subject to special mandatory redemption at prepayment prices determined in accordance with the optional redemption price table hereinafter set forth, plus in each case accrued interest to the date of redemption; provided, however, that if the Lessee makes an installment purchase, such redemption shall be made only to the extent that the partial payment of the installment purchase price exceeds the amount of the funds contributed to the Project or to costs of the issuance of the Project Bonds by the Company from sources other than the Loan.

The Project Bonds are also subject to special mandatory redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date if and when (i) the Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Agreement by reason of any changes in the Constitution of the State or the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Issuer or the Company in good faith to such extent that the Note and the obligations evidenced thereby are no longer enforceable by the holder thereof, or (ii)

interest on the Project Bonds shall have become subject to federal income tax because of a Determination of Taxability which is unrelated to any default by the Company under Section 6.8 of the Agreement. In the event that interest on the Project Bonds becomes subject to federal income tax because of a Determination of Taxability as a result of a default by the Company under Section 6.8 of the Agreement, the Project Bonds shall be subject to special mandatory redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 105% of the principal amount thereof plus accrued interest to the redemption date. The redemption price payable with respect to a redemption resulting from a Determination of Taxability shall be increased by an amount equal to 1-1/2% of the principal amount of all Project Bonds then outstanding for each six-month period, or any part thereof, from the date of the Event of Taxability to the date of redemption. With respect to Project Bonds not outstanding on the date of the Determination of Taxability, but which were outstanding on the date of the Event of Taxability, the redemption price shall be increased by an amount equal to 1-1/2% of the principal amount of each of such Project Bonds for each six-month period, or any part thereof, elapsed between the date of the Event of Taxability and the date that such Project Bond was paid or redeemed. Any such redemption shall be made not more than 180 days following the effective date of any such constitutional amendment, legislation, administrative action or final decree, judgment or order, or following the date of the Determination of Taxability (excluding any final determination that interest is subject to federal income tax with respect to any Bond held by a "substantial user" of the Project or by a "related person" thereof, as those terms are used in Section 103(b)(13) of the Code). Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall prepay the Loan in full as required under Section 8.3 of the Agreement and shall concurrently prepay the Note, shall constitute the direction from the Issuer to the Trustee to call all the then outstanding Project Bonds for special mandatory redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

The Bonds maturing on June 1, 1998 and on June 1, 2003 are also subject to mandatory redemption by the Issuer, pursuant to the mandatory sinking fund requirements provided in Section 6 hereof, on each Mandatory Redemption Date at a price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

The Bonds are also subject to optional redemption in whole or in part by the Issuer at the direction of the Company at any time on or after June 1, 1989, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of the principal amounts thereof) set forth below, plus accrued interest to the redemption date:

<u>Maturity Year</u>	<u>Principal Amount Maturing June 1</u>	<u>Interest Rates</u>	<u>Optional Redemption Price Commencing June 1 in Year Shown</u>
1989	\$ 45,000	9.25%	103%
1990	45,000	9.50%	103%
1991	50,000	9.75%	103%
1992	55,000	10.00%	102%
1993	60,000	10.25%	102%
1994	-	-	101%
1995	-	-	101%
1996	-	-	100%
1998	430,000	11.00%	
2003	735,000	12.00%	

Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall exercise its option to prepay all or any portion (in amounts of \$5,000 or any integral multiple thereof) of the Loan Payments pursuant to Section 8.2 of the Agreement shall constitute the direction from the Issuer to the Trustee to call an equivalent principal amount of then outstanding Project Bonds for optional redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

If less than the entire unmatured portion of the Project Bonds shall be called for redemption at any time or from time to time (otherwise than pursuant to any mandatory sinking fund provisions hereof) they shall be called in inverse order of the maturities of the Project Bonds at the time outstanding; and if less than all of the Project Bonds outstanding of one maturity are to be called, the selection of such Project Bonds or portions of fully registered Project Bonds of such maturity to be called shall be made by lot by the Trustee in such manner as the Trustee may determine.

Notice of the call for any redemption of Project Bonds shall be given in accordance with the provisions of Section 3.03 of the Indenture.

Bond service charges on Project Bonds shall be payable, without deduction for services as paying agent, at the corporate trust office of the Trustee.

The Project Bonds shall be executed by the Executive of the Issuer, and the Issuer's seal shall be impressed or reproduced thereon and attested by the City Clerk, provided that either or both of the Executive's and City Clerk's signatures may be facsimiles, and the interest coupons attached thereto, in the case of coupon Project Bonds, shall bear the facsimile signatures of the Executive and the City Clerk. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds or coupons shall cease to be such officer before the issuance, authentication or delivery of such Bonds or coupons, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until that time.

All Bonds shall be negotiable instruments within the meaning of Uniform Commercial Code, as adopted in the State, subject to applicable provisions for registration, and shall express on their faces the purpose for which they are issued and such other statements or legends as may be required by law.

If Bonds are duly called for redemption and if on such redemption date moneys for the redemption of all the Bonds to be redeemed, together with accrued interest to the redemption date, shall be held by the Trustee or Paying Agents so as to be available therefor, then from and after such redemption date such Bonds shall cease to bear interest and any coupons for interest thereon maturing subsequent to the redemption date shall be void.

Section 4. Security Pledged for Bonds. As provided herein, the Bonds shall be equally and ratably payable solely from the Pledged Receipts and secured by a pledge of and lien on moneys deposited in the Construction Fund and Bond Fund and a pledge and assignment of other moneys constituting Pledged Receipts, and further secured by the Indenture and by the pledge and assignment therein of the Note and of all right, title and interest of the Issuer in, to and under the Loan Agreement. The Bonds are further secured by the Mortgage and the Assignment. Anything in the Bond Legislation, the Bonds or the Indenture to the contrary notwithstanding, neither the Bond Legislation, the Bonds, nor the Indenture shall constitute a debt or a pledge of the faith and credit of the Issuer, the State of Indiana or of any political subdivision thereof and the holders or owners of the Bonds shall have no right to have taxes levied by the State or by any political subdivision of the State for the payment of the principal of, premium, if any, or interest on the Bonds, but such Bonds are payable solely from the Pledged Receipts and the Bonds shall contain on the face thereof a statement to that effect; provided, however, that nothing herein shall be deemed to prohibit the Issuer, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of the Indenture, the Bond Legislation or any of the Bonds.

Section 5. Sale of Project Bonds and Allocation of Purchase Price. The Executive and City Clerk are each hereby authorized and directed to offer for sale the Project Bonds to the Original Purchaser for purchase by the Original Purchaser at the price of 95% of the principal amount of the Project Bonds in accordance with the terms and provisions of this Bond Legislation and the Bond Purchase Agreement, and to make the necessary arrangements on behalf of the Issuer with the Original Purchaser to establish the date, location, procedure and conditions for the delivery of the Project Bonds to the Original Purchaser. The Executive and City Clerk further are hereby authorized and directed to take all steps necessary to effect due authentication, delivery and security of the Project Bonds under the terms of this Bond Legislation and the Indenture, and it is hereby determined that the aforesaid purchase price and the interest rate for the Project Bonds and the

manner of sale, as provided in this Bond Legislation, are in the best interest of the Issuer and consistent with all legal requirements. The City Clerk shall cause to be furnished to the Original Purchaser a true transcript of proceedings had with reference to the issuance of the Project Bonds, certified by the City Clerk, along with such information from the City Clerk's records as is necessary to determine the regularity and validity of the issuance of said Bonds.

At the time of issuance, delivery of and payment for the Project Bonds, the Bond Fund Payment, plus capitalized interest, if any, shall be deposited from the purchase price for the Project Bonds into the Bond Fund.

There is hereby created by the Issuer and ordered maintained as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee a trust fund to be designated "City of Fort Wayne - Health Care Fund Construction Fund" (herein called the "Construction Fund"). After deducting the Bond Fund Payment and capitalized interest, if any, as required by the preceding paragraph, the balance of the proceeds of the Project Bonds shall be deposited in the Construction Fund. Moneys in the Construction Fund shall be disbursed by the Trustee in accordance with the provisions of the Agreement, and the Trustee is hereby authorized and directed to issue its check for each disbursement required by the provisions of the Agreement. The Issuer covenants and agrees promptly to take whatever action, if any, is necessary in approving and ordering all such disbursements.

The moneys to the credit of the Construction Fund shall, pending application thereof as above set forth, be subject to a lien and charge in favor of the holders of the Project Bonds, but only to the extent of their interest therein.

Section 6. Source of Payment - Bond Fund.
As provided in the Agreement, Loan Payments sufficient in time and amount to pay the Bond service charges as they come due, are to be paid by the Company directly to the Trustee for the account of the Issuer and deposited in the Bond Fund. Under the provisions of the Agreement, payments with respect to the Note received by the Trustee shall be deposited into the Bond Fund for the account of the Issuer and shall constitute Loan Payments.

There is hereby created by the Issuer and ordered maintained, as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee, a trust fund to be designated "City of Fort Wayne - Health Care Fund Revenue Bond Fund" (herein called the "Bond Fund"). The Bond Fund (and accounts therein provided for in the Indenture or in the Agreement) and the moneys and investments therein are hereby pledged to and shall be used solely and exclusively for the payment of Bond service charges as they fall due at stated maturity or by redemption or pursuant to any mandatory sinking fund requirements, all as provided herein and in the Indenture and the Agreement, provided that no part thereof (other

than any amounts paid as and for any mandatory sinking fund requirements, and except as may otherwise be provided for herein and in the Indenture or the Agreement) shall be used to redeem, prior to maturity, any Bonds.

Anything contained in the preceding paragraph to the contrary notwithstanding, moneys paid into the Bond Fund pursuant to the provisions of Section 2.10 of the Agreement relating to Project Bonds which were not outstanding on the date of a Determination of Taxability, but which were outstanding on the date of an Event of Taxability, shall be used solely for payment as follows: In the event any person who was a Bondholder at the time of an Event of Taxability shall present to the Trustee written proof satisfactory to the Trustee that he was a holder of such Project Bond at such time, but that such Project Bond matured or was redeemed prior to a Determination of Taxability, he shall be entitled to, and the Trustee shall pay to him from such moneys an amount equal to 1-1/2% of the principal amount of such Bond for each six-month period or part thereof elapsed between the date of the Event of Taxability and the date such Bond matured or was redeemed.

On or before each date when Bond service charges are due and payable, the Trustee shall transmit from moneys in the Bond Fund applicable thereto to any other Paying Agents, as appropriate, amounts sufficient to meet payments to be made by them of Bond service charges to be then due and payable; provided that to the extent that the amount needed by any other Paying Agent is not sufficiently predictable, the Trustee may make such credit arrangements with such Paying Agent so as to permit meeting such payments.

There shall be deposited into the Bond Fund (and credited, if required by the Indenture or the Agreement, to appropriate accounts therein), as and when received, (a) all Loan Payments and (b) all other Pledged Receipts, except those amounts required by the Indenture or the Agreement to be deposited in the Construction Fund or any other separate insurance or condemnation proceeds account.

As and for the mandatory sinking fund requirements for the retirement, by mandatory redemption pursuant to Section 3 hereof, of the Project Bonds, the aggregate of the Loan Payments specified in Section 2.1 of the Agreement which is to be deposited in the Bond Fund on or before each Loan Payment Date (as defined in the Agreement) shall include amounts sufficient to redeem (less the amount of any credit as provided in the next following paragraph) on each corresponding Mandatory Redemption Date the principal amount of Project Bonds set opposite the appropriate year as follows:

\$430,000 Term Bonds Maturing June 1, 1998

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>	<u>Stated Maturity</u>
1994	\$ 70,000	
1995	75,000	

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>	<u>Stated Maturity</u>
1996	85,000	
1997	95,000	
1998		\$105,000

\$735,000 Term Bonds Maturing June 1, 2003

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>	<u>Stated Maturity</u>
1999	\$115,000	
2000	130,000	
2001	145,000	
2002	165,000	
2003		\$180,000

For the purpose of effecting said mandatory redemption the Trustee, on behalf of the Issuer and without necessity for further action by the Issuer or the Company, shall cause to be redeemed, in the manner provided in Section 3 hereof, on each Mandatory Redemption Date such aggregate principal amount of the Project Bonds as equals the mandatory sinking fund requirements as provided for above in this Section 6 for the applicable Mandatory Redemption Date. Project Bonds called for redemption pursuant to the mandatory sinking fund redemption provisions hereof shall be called by lot in such manner as may be determined by the Trustee.

At its option, to be exercised on or before the 45th day preceding any Mandatory Redemption Date, the Issuer, or the Company on behalf of the Issuer, may (a) deliver to the Trustee for cancellation Project Bonds in any aggregate principal amount, with, if coupon Bonds, all unmaturing coupons attached, or (b) receive a credit against the current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the Issuer under the preceding paragraph for any Project Bonds which prior to such date have been redeemed (other than through the operation of the mandatory sinking fund requirements provided for in this Section) or purchased for cancellation and cancelled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund requirement (and corresponding mandatory redemption obligation) under said preceding paragraph. Each Project Bond so delivered or previously redeemed or purchased for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the respective mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the Issuer on such Mandatory Redemption Date, and any excess of such amount shall be credited against future mandatory sinking fund requirements (and corresponding mandatory redemption obligations) in chronological order. The Issuer, or the Company on behalf of the Issuer, will on or before the 45th day preceding each Mandatory Redemption Date furnish the Trustee with a certificate, signed by the Fiscal Officer, or by the Authorized Company Representative (as defined in the Agreement), stating the extent to which the provisions of (a) and (b) of the first sentence of this paragraph are to be availed of with

respect to such mandatory sinking fund requirement (and corresponding mandatory redemption obligation) for such Mandatory Redemption Date; unless such certificate is so timely furnished to the Trustee, the Trustee shall not be required to reduce such requirement and obligation provided for in the preceding paragraph.

The Issuer hereby covenants and agrees that, so long as any of the Bonds are outstanding, it will deposit, or cause to be deposited, in the Bond Fund Pledged Receipts sufficient in time and amount to pay the Bond service charges as the same become due and payable, and to this end the Issuer covenants and agrees that, so long as any Bonds are outstanding, it will diligently and promptly proceed in good faith and use its best efforts to enforce the Agreement, and that, should there be an event of default under the Agreement, the Issuer shall fully cooperate with the Trustee and with the Bondholders to protect fully the rights and security of the Bondholders hereunder. Nothing herein shall be construed as requiring the Issuer to use or apply to the payment of Bond service charges any funds or revenues from any source other than Pledged Receipts.

The Issuer covenants and agrees, whenever the moneys and investments in the Bond Fund (or otherwise held by the Trustee for such purpose) are sufficient in amount to redeem all of the Bonds then outstanding and to pay interest to accrue thereon to the date or dates of such redemption, to take and cause to be taken, at the direction of the Company, the necessary steps to redeem all of said Bonds on the next succeeding redemption date or dates for which the required notice of call for redemption may be given.

Section 7. Additional Bonds. At the request of the Company, if the Company is not then in default under the Agreement, the Issuer, to the extent permitted by law (including the Act) then in effect and for purposes consistent with the Act, shall use its best efforts to issue Additional Bonds from time to time to provide loans to the Company for: (i) the acquisition for the Project of additional real estate or interests therein, or repairs to the Project of a major nature arising from casualty or unanticipated conditions, or (ii) the acquisition, construction and installation of additional economic development facilities to be used in connection with the Project and to be located on the Project Site, or to be used in connection with other facilities located within the boundaries of the Issuer which are owned in whole or in part by the Company, or any combination thereof, or (iii) refunding the Project Bonds or any one or more series of Additional Bonds, or (iv) any combination of the foregoing; provided, that the proceeds of any Additional Bonds shall be used solely to pay permissible costs under the Act, and provided further that no Additional Bonds may be issued unless the Company shall first provide to the Trustee and the Original Purchaser a certificate by an independent certified public accountant to the effect that the gross income (defined as net income plus fixed charges) of the Company for a 12-month period ending on the calendar quarter immediately

prior to the proposed date of issuance of such Additional Bonds and for the 12-month period ended as of the same calendar quarter of the preceding year was at least one and two-tenths (1.2) times the fixed charges of the Company for such period after adjusting the fixed charges of the Company as if such Additional Bonds had been outstanding in said two 12-month periods. Such Additional Bonds shall be on a parity with the Project Bonds and any Additional Bonds theretofore or thereafter issued. Before any Additional Bonds are authenticated there shall be delivered to the Trustee the items required by Section 2.08 of the Indenture and (a) any necessary amendment of the Agreement to provide for increased Loan Payments so that the aggregate of the Loan Payments thereafter payable under the Agreement shall be sufficient in amount to make all required payments into the Bond Fund in order to pay when due Bond service charges on all Bonds then to be outstanding, and for all Additional Payments (as defined in the Agreement) by the Company under the provisions of the Agreement and the Bond Legislation, and (b) either the opinion of nationally recognized bond counsel or a ruling of the Internal Revenue Service of the United States Department of Treasury that the issuance of such series of Additional Bonds will not adversely affect the exemption from Federal income taxation of the interest paid or payable on any outstanding Bonds. The Additional Bonds shall be issued in the aggregate principal amount, mature, be subject to redemption, and contain such other terms as are set forth in the Bond Legislation authorizing their issue.

Section 8. Covenants of Issuer. In addition to other covenants of the Issuer in this Bond Legislation and the Indenture contained, the Issuer further covenants and agrees as follows:

(a) Payment of Bond Service Charges. The Issuer will, solely from Pledged Receipts, pay or cause to be paid the Bond service charges on each and all Bonds on the dates, at the places and in the manner provided herein, in the applicable Bond Legislation and in the Bonds and coupons.

(b) Performance of Covenants, Authority and Actions. The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Bond Legislation, the Agreement, the Indenture and in any and every Bond executed, authenticated and delivered under the Indenture, and in all proceedings of the Issuer pertaining to the Bonds, the Indenture or the Agreement. The Issuer warrants and covenants that it is, and upon delivery of the Project Bonds will be, duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Project Bonds and to execute the Indenture, the Agreement and the Bond Purchase Agreement, to provide the security for payment of the Bond service charges in the manner and to the extent herein and in the Indenture set forth; that all actions on its part for the issuance of the Project Bonds and execution and delivery of the Indenture, the Agreement and the Bond Purchase Agreement have been or will be duly and effectively taken; and

that the Project Bonds and the coupons pertaining thereto in the hands of the holders thereof will be valid and enforceable special obligations of the Issuer according to the terms thereof. Each provision of the Bond Legislation, Indenture, Agreement, the Bond Purchase Agreement and Bonds is binding upon each such officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duties required by such provision; and each duty of the Issuer and of its officers undertaken pursuant to such proceedings for the Bonds is established as a duty of the Issuer and of each such officer having authority to perform such duty.

(c) Pledged Receipts. Except as otherwise provided in the Bond Legislation, Indenture and Agreement, the Issuer will not create or suffer to be created any debt, lien or charge thereon, or make any pledge or assignment of or create any debt, lien or charge thereon, or make any pledge or assignment of or create any lien or encumbrance upon the Pledged Receipts, including the moneys in the Bond Fund and Construction Fund, other than the pledge and assignment thereof under the Bond Legislation, Indenture and Agreement.

(d) Recordings and Filings. The Agreement will not be recorded or filed; however the Issuer will cause the Mortgage and all necessary financing statements, amendments thereto, continuation statements and instruments of similar character relating to the pledges and assignments made by it to secure the Bonds, to be recorded and filed in such manner and in such places and to the extent required by law in order to fully preserve and protect the security of the holders of the Bonds and the rights of the Trustee under the Indenture.

(e) Inspection of Project Books. All books and documents in the Issuer's possession relating to the Project or the Pledged Receipts shall at all times be open to inspection by such accountants or other agents of the Trustee as the Trustee may from time to time designate.

(f) List of Bondholders. To the extent that such information shall be made known to the Issuer under the terms of this paragraph, the Issuer will keep or arrange to have kept on file at the corporate trust office of the Trustee a list of names and addresses of the last known holders of Bonds payable to bearer. Any Bondholder may in a writing addressed to the Issuer or Trustee request that his name and address be placed on said list, which request shall include a statement of the principal amount of Bonds held by such holder and shall identify, by number and series designation, such Bonds. Neither the Issuer nor the Trustee shall be under any responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Company, or by the holders (or a designated representative thereof) of 25% or more in principal amount of Bonds then outstanding, such

holding and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

(g) Rights under Agreement. The Trustee, in its name or in the name of the Issuer, may, for and on behalf of the Bondholders, enforce all rights of the Issuer and all obligations of the Company under and pursuant to the Agreement and Note, whether or not the Issuer has pursued or attempted to enforce such rights and obligations.

(h) Maintenance of Agreement. The Issuer shall do all things and take all actions on its part necessary to comply with the obligations, duties and responsibilities on the part of the Issuer under the Agreement, and will take all actions within its authority to maintain the Agreement in effect in accordance with the terms thereof and to enforce and protect the rights of the Issuer thereunder, including actions at law and in equity, as may be appropriate.

(i) Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Project Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Project Bonds are delivered to the Original Purchaser, so that they will not constitute "arbitrage bonds" under Section 103(c) of the Code. The City Clerk or any other officer having responsibility with respect to the issuance of the Project Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Legislative Authority, or any officer of the Company, and upon receipt of satisfactory indemnities, to give an appropriate certificate on behalf of the Issuer, for inclusion in the transcript of proceedings for the Project Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 103(c), of the Code.

Section 9. Investment of Bond Fund and Construction Fund. Moneys in the Bond Fund and the Construction Fund shall be invested and reinvested by the Trustee in any Eligible Investments, in accordance with and subject to any orders of the Authorized Company Representative (as defined in the Agreement) with respect thereto, provided that investments of moneys in the Bond Fund shall mature or be redeemable at the option of the holder at the times and in the amounts necessary to provide moneys hereunder to pay Bond service charges as they fall due at stated maturity or by redemption or pursuant to any mandatory sinking fund requirements, and that each investment of moneys in the Construction Fund shall in any event mature or be redeemable at the option of the holder at such time as may be necessary to make timely payments from said Fund. In the absence of timely direction by the Authorized Company Representative, the Trustee is authorized to make such investments as it deems in the best interests of the Company. Subject to any such orders with respect thereto, the Trustee may from time to time sell such investments and reinvest the proceeds therefrom in Eligible Investments

maturing or redeemable as aforesaid. Any such investments may be purchased from the Trustee. The Trustee shall sell or redeem investments standing to the credit of the Bond Fund to produce sufficient moneys hereunder at the times required for the purpose of paying Bond service charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any such order. An investment made from moneys credited to the Bond Fund or the Construction Fund shall constitute part of that respective Fund and such respective Fund shall be credited with all proceeds of sale and income from such investment. For purposes of the Indenture and this Bond Legislation, such investments shall be valued at face amount or market value, whichever is less. The covenant contained in Section 4.5 of the Agreement shall apply to investments of moneys in the Bond Fund and Construction Fund.

Section 10. Indenture, Agreement and Bond Purchase Agreement; Assignment of Note. In order better to secure the payment of the Bond service charges as the same shall become due and payable, the Executive and City Clerk are hereby authorized and directed to execute, acknowledge and deliver the Indenture, Agreement and Bond Purchase Agreement in substantially the forms submitted to the Issuer, and to endorse upon the Note the assignment thereof to the Trustee, which instruments are hereby approved, with such changes therein not inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officers executing the same. The approval of such changes by said officers, and their determination that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of the Indenture, the Agreement and the Bond Purchase Agreement, respectively, and by endorsement of the Note, by such officers.

This Bond Legislation shall constitute a part of the Indenture as therein provided and for all purposes of said Indenture, except that this Bond Legislation may not be amended, modified or supplemented except by action of the Legislative Authority.

Section 11. Other Documents. The Executive and City Clerk are hereby further authorized and directed to execute financing statements, other assignments and any other instruments as are, in the opinion of the bond counsel to the Issuer, necessary to perfect the pledges set forth in the Indenture and to consummate the transactions provided for in the Indenture and Agreement. The Executive and City Clerk are also authorized to execute on behalf of the Issuer an Official Statement with respect to the Project Bonds, if the Original Purchaser shall so request.

Section 12. Section 103 (b) (6) (D) Election. The Issuer hereby elects to have the provisions as to the limit in Section 103 (b) (6) (D) of the Code applied to the Bonds; and the Executive and the City Clerk of the Issuer be and they are hereby authorized, empowered and directed to take any and all further action which may be required to implement and effectuate such election,

including without limitation the preparation and filing of such statement or statements or other document or documents as may be deemed by them to be necessary or advisable in order to comply with the procedure set forth in section 1.103-10(b)(2)(vi) of the Income Tax Regulations (26 CFR Part 1) under Section 103 of the Code.


Section 13. Designation of Trustee. Anthony Wayne Bank, Fort Wayne, Indiana, is hereby designated Trustee under the Indenture. The Issuer hereby recognizes, agrees to and approves the deposit of the proceeds of the Bonds with the Trustee under the Indenture which amount shall be held and applied by said Trustee in accordance with the provisions of this Bond Legislation and the Indenture. The Executive and the City Clerk of the Issuer are hereby authorized to direct the Trustee to authenticate and deliver the Bonds.

Section 14. Compliance with Public Hearing and Approval Requirements. It is hereby found and determined that all formal actions of this Legislative Authority and of the Commission concerning and relating to the passage of this Bond Legislation were taken in a public session of this Legislative Authority or the Commission, and that all deliberations of this Legislative Authority, the Commission and of their committees, if any, that resulted in such formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Indiana Code 36-7-12-24 and Section 103 (k) of the Code.

Section 15. Effective Date. This Bond Legislation shall take effect and be in force immediately upon its adoption.

COUNCILMAN

APPROVED AS TO FORM AND
LEGALITY.



John J. Wernet, Attorney for the
Fort Wayne Economic Development Commission
Dated this 14th day of June, 1983.

"AMENDED"

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,420,000 ECONOMIC DEVELOPMENT REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, IN ORDER TO ASSIST HEALTH CARE FUND IN THE FINANCING OF COSTS OF AN ECONOMIC DEVELOPMENT FACILITY; AUTHORIZING THE ISSUANCE OF ADDITIONAL BONDS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SAID BONDS; AUTHORIZING A LOAN AGREEMENT WITH RESPECT TO THE PROCEEDS DERIVED FROM THE SALE OF SAID BONDS; AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF SAID BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT WITH THE ORIGINAL PURCHASER; AND AUTHORIZING THE ASSIGNMENT BY THE CITY OF A NOTE AND LOAN AGREEMENT.

WHEREAS, the City of Fort Wayne, Indiana (hereinafter called the "Issuer") is by virtue of the laws of Indiana, including Indiana Code 36-7-12, as amended, authorized and empowered, among other things, (a) to issue revenue bonds in order to assist in the financing of costs of economic development facilities located within the boundaries of the Issuer, (b) to enter into an agreement with the user of such facilities providing for revenues sufficient to pay the principal of and interest and any premium on such revenue bonds, (c) to secure such revenue bonds by a trust agreement between the Issuer and a corporate trustee, and by a pledge and assignment of such revenues, as provided for herein, and (d) to enact this Bond Legislation and enter into the Indenture and the Loan Agreement, as hereinafter identified, upon the terms and conditions provided therein; and

WHEREAS, HEALTH CARE FUND is a business trust duly organized and existing under and by virtue of the laws of the State of Ohio and qualified to do business in the State of Indiana; and

WHEREAS, it is hereby determined by this Legislative Authority that the acquisition, construction, and equipping of the Project by the Company, as hereinafter defined, including the financing thereof will require the issuance, sale and delivery of Project Bonds in the principal amount of \$1,420,000 and hereafter may require the Issuer's issuance, sale and delivery of Additional Bonds on a parity therewith, all of which Bonds shall be equally and ratably payable and secured as provided herein and in the Indenture authorized herein;

NOW THEREFORE, BE IT RESOLVED BY THE Common Council of the City of Fort Wayne, Indiana:

Section 1. Definitions. In addition to the words and terms elsewhere defined in this Bond Legislation or in the Agreement and used herein as defined words and terms, the following words and terms as used in this Bond Legislation and in the Indenture authorized herein shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

"Act" means Indiana Code 36-7-12, as enacted and amended.

"Additional Bonds" means Bonds issued pursuant to Section 7 of this Bond Legislation.

"Agreement" means the Loan Agreement, provided for in Section 11 hereof, between the Issuer and the Company, dated as of May 1, 1983, as the same may be duly amended, modified or supplemented in accordance with the provisions thereof.

"Assignment" means the Assignment of Rents and Leases, of even date with the Agreement, from the Company to the Trustee.

"Bonds" means the Project Bonds and any Additional Bonds issued and to be issued pursuant to the Indenture.

"Bond Fund" means the Bond Fund created by Section 6 hereof.

"Bond Fund Payment" means as to the Project Bonds an amount equal to the interest accrued on the Project Bonds from their date to the date of their delivery to the Original Purchaser and payment therefor and as to the Additional Bonds the amount specified in the Bond Legislation authorizing such Additional Bonds, provided that the Bond Fund Payment for any Additional Bonds shall not be less than an amount equal to the interest accrued on such Additional Bonds from their date to the date of delivery of such Additional Bonds to their Original Purchaser and payment therefor.

"Bondholder" or "holder" or "holder of Bonds" means any person who is the bearer of a coupon Bond which is not registered as to principal or the principal of which is registered to bearer, or the person in whose name a registered Bond is registered, and "holder" when used with reference to a coupon means the bearer of the coupon.

"Bond Legislation" means this ordinance authorizing the Project Bonds, except that when used with reference to an issue of Additional Bonds it shall mean this Bond Legislation to the extent applicable and the other legislation providing for the issuance of such Additional Bonds, and except that when used with reference to Bonds when Additional Bonds are outstanding it shall mean this Bond Legislation and the Bond Legislation providing for the issuance of Additional Bonds, all as the same may from time to time be lawfully amended, modified or supplemented.

"Bond Purchase Agreement" means the bond purchase agreement, by and between the Issuer, the Company and the Original Purchaser, pertaining to the purchase of the Project Bonds.

"Bond service charges" for any time period means the principal, including any mandatory sinking fund

requirements, interest, and redemption premium, if any, required to be paid by the Issuer on the Bonds for such time period.

"City Clerk" means the City Clerk or acting City Clerk of the Issuer.

"Code" means the Internal Revenue Code of 1954, as amended, and with respect to a specific section thereof such reference shall be deemed to include (i) the regulations promulgated under such section, (ii) any successor provision of similar import hereafter enacted, (iii) any corresponding provisions of any subsequent Internal Revenue Code, and (iv) the regulations promulgated under the provisions described in (ii) and (iii).

"Commission" means the Fort Wayne, Indiana Economic Development Commission.

"Company" means Health Care Fund, an unincorporated Ohio business trust operating as a real estate investment trust pursuant to Sections 856 to 860, inclusive, of the Code and its successors and assigns including any surviving, resulting or transferee entity as provided in Section 6.3 of the Agreement.

"Construction Fund" means the Construction Fund created by Section 5 hereof.

"Coupon" or "interest coupon" means a coupon issued hereunder evidencing an installment of interest on a coupon Bond.

"Coupon bond registered as to principal" means any coupon Bond at the time registered as to principal in the name of the Bondholder.

"Determination of Taxability" means the final adoption of legislation or regulations or a final determination, decision, decree, ruling or technical advice by any judicial or administrative authority or by the Internal Revenue Service as a result of the limitations prescribed in Section 103(b)(6) of the Code having been exceeded, any of which has the effect of requiring interest on the Bonds to be included in the gross income for Federal income tax purposes of the holder or registered owner of the Bonds (other than a holder or registered owner who is a "substantial user" of the Project or a "related person" as those terms are used in Section 103(b)(13) of the Code). A decision or ruling by any judicial or administrative authority shall not be considered final for the purposes of this definition until the expiration or waiver of all periods for judicial review or appeal, as the case may be, in which review or appeal the Company has participated or has had an opportunity to participate. Such determination shall be deemed to have occurred upon receipt by the Trustee of evidence thereof.

"Eligible Investments" means (i) obligations issued or guaranteed by the United States of America, or by any person controlled or supervised by and acting as an

instrumentality of the United States pursuant to the authority granted by Congress, the payment of the principal and interest of which is fully and unconditionally guaranteed by the United States of America; (ii) obligations issued or guaranteed by any state or political subdivision thereof rated A or higher by Moody's Investors Service, Inc. or by Standard & Poor's Corporation, both of New York, New York, or their successors; (iii) open market commercial or finance paper of any corporation having a net worth in excess of \$100,000,000 and which is rated either P-1 or A-1 or an equivalent by Moody's Investors Service, Inc. or Standard & Poor's Corporation, both of New York, New York, or their successors; (iv) investments due within 12 months in certificates of deposit issued by, or bankers' acceptances of, the Trustee, or of banks, savings banks, savings and loan associations or trust companies organized under the laws of the United States of America or any state thereof, which must have a reported capital and surplus of at least \$10,000,000 in dollars of the United States of America; (v) regular savings accounts of bank or trust companies, including the Trustee, or of savings and loan or building and loan associations, organized under the laws of the United States of America or of the State, which institution has a reported capital and surplus of at least \$10,000,000 in dollars of the United States of America; provided, however, that at no time shall any sum in excess of \$5,000 be invested in any savings account; (vi) repurchase agreements, including the Trustee's, fully secured by obligations of the type specified in (i) above; and (vii) regulated money market funds invested in United States government obligations; provided that any such investment or deposit is not prohibited by law.

"Event of Taxability" means the date on which the interest payable on the Bonds becoming includable in the gross income for federal income tax purposes of the holder or registered owner of the Bonds (other than a holder or registered owner who is a "substantial user" of the Project or a "related person" as those terms are used in Section 103(b)(13) of the Code).

"Executive" means the Mayor of the Issuer.

"Indenture" means the Trust Indenture, provided for in Section 10 hereof, between the Issuer and the Trustee, of even date with the Agreement, including this Bond Legislation as part thereof, as the same may be amended, modified or supplemented in accordance with the provisions thereof.

"Lease" means the lease agreement to be executed between the Company and the Lessee pursuant to which the Project will be leased for operation by the Lessee, which Lease shall be subordinate to the Mortgage.

"Legislative Authority" means the Common Council of the Issuer.

"Lessee" means Cal-Temp, Inc., an Indiana corporation (which proposes to enter into the Lease with the Company), and any other lessee of the Company or any subsequent assignee of the initial Lessee.

"Loan" means the loan by the Issuer to the Company of the proceeds from the sale of the Project Bonds to the Original Purchaser, after deducting the Bond Fund Payment, as the same may hereafter be increased from the proceeds from the sale of Additional Bonds.

"Loan Payments" means the amounts required to be paid by the provisions of Section 2.1 of the Agreement, as the same may hereafter be amended or supplemented, in repayment of the Loan.

"Mandatory Redemption Date" means May 1 of the years, and as to any Additional Bonds, the date or dates specified in the applicable Bond Legislation on which such Additional Bonds are to be retired pursuant to mandatory sinking fund requirements. As appropriate, the maturity date denoting a particular series of Project Bonds shall be used in conjunction with the term "Mandatory Redemption Date".

"Mandatory sinking fund requirements" means amounts required by any Bond Legislation to be deposited in the Bond Fund for the purpose of retiring, on a specified date, principal maturities of Bonds which by their terms are due and payable, if not called for prior redemption, at a subsequent date.

"Mortgage" means the Mortgage and Security Agreement pertaining to the Project Site and the Project from the Company, as mortgagor, to the Trustee, as mortgagee and secured party, of even date with the Agreement, and any amendment and supplements thereto.

"Note" or "Notes" means the Promissory Note of even date with the Agreement constituting an unconditional promise of the Company to repay the Loan to the Issuer, and in the form of Note attached as Exhibit A to the Agreement, and any additional promissory Note or Notes executed and delivered with respect to Additional Bonds.

"Original Purchaser" means, as to the Project Bonds, Raymond, James & Associates, Inc. and, as to Additional Bonds, the person or persons identified as such in the Bond Legislation providing for the issuance of such Additional Bonds.

"Pledged Receipts" means (a) the Loan Payments, including the payments of principal of and interest and any premium on the Note, (b) subject to the provisions of Sections 3.04 and 8.02 of the Indenture with respect to the Trustee holding moneys for the benefit of the holders of particular Bonds, all other moneys received by the Issuer, or the Trustee for the account of the Issuer, pursuant to the Agreement or in respect to the Loan, (c) the proceeds of the Bonds including all moneys deposited in the Construction Fund and (d) the income and profit from the investment of the Loan Payments, any other moneys held by the Trustee under the Indenture, and the moneys deposited in the Construction Fund.

"Project" means the real, personal, or real and personal property, including undivided or other interests therein, identified in Exhibit B to the Agreement, in or pursuant to any amendments to the Agreement, and in the certificate of the Project Supervisor given pursuant to Section 3.3 of the Agreement, and acquired, constructed or installed in replacement or substitution therefor or in addition thereto, and as may result from a revision of the Plans and Specifications (as defined in the Agreement) in accordance with the provisions of the Agreement.

"Project Bonds" means the Bonds authorized in Section 3 hereof and designated "Economic Development Revenue Bonds (Health Care Fund Project)".

"Project Purposes" means the purposes of an economic development facility as described in the Act.

"Project Site" means the real estate constituting the site of and a part of the Project, which real estate is described in Exhibit C to the Agreement.

"Registered Bonds" means Bonds registered in the name of the holder, including coupon Bonds registered as to principal (except to bearer).

"State" means the State of Indiana.

"Trustee" means the Trustee at the time serving under the Indenture, originally Anthony Wayne Bank, Fort Wayne, Indiana, as Trustee, and any successor Trustee as determined or designated under or pursuant to the Indenture.

Any reference herein to the Issuer, to the Legislative Authority, or to any officers thereof, shall include any entity which succeeds to its or their functions, duties or responsibilities pursuant to or by operation of law. Any reference to a section or provision of the Act shall include such section or provision or chapter as from time to time amended, modified, revised, supplemented, or superseded; provided, however, that no such change (a) shall alter the obligation to pay the Bond service charges in the amounts and manner, at the times, and from the sources provided in the Bond Legislation and the Indenture, except as otherwise herein permitted or (b) shall be deemed applicable by reason of this provision if such change would in any way constitute an impairment of the rights of the Issuer or the Company under the Agreement or the Indenture.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof", "hereby", "hereto", "hereunder", and similar terms, mean this Bond Legislation and the Indenture.

Section 2. Findings and Determinations of Legislative Authority. The Legislative Authority hereby determines:

- (a) that the initial resolution adopted by the Commission on March 3, 1983, and the initial resolution of the Legislative Authority adopted on March 22, 1983, are hereby found to be in the best interest of the Issuer and are in all respects approved, ratified, confirmed, readopted and declared to be and remain in full force and effect;
- (b) that the financing of the Project, previously approved by the Commission and recommended to the Legislative Authority, the issuance and sale of the Bonds, the use of the net proceeds thereof to make a loan to the Company for the acquisition, construction and equipping of the Project, and the payment of the Bonds by the payments of the Company under the Loan Agreement will be of benefit to the health and welfare of the Issuer, and its citizens, in furtherance of the purposes of the Act;
- (c) that the financing of the Project by the Issuer complies in every respect with the purposes and provisions of the Act; and
- (d) that the Project will not have an adverse competitive effect on similar facilities already constructed and operating in Allen County, Indiana.
- (e) based upon representations made by the Company to the Issuer, the Issuer hereby determines that the aggregate cost of the Project will be not less than \$1,420,000.

In support of the determination set forth in paragraph (d) above, the Legislative Authority is relying on the evidence presented to the Commission and contained in the minutes of its meetings on April 7 and May 5, 1983.

Section 3. Authorization and Terms of Project Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided and authorized herein and pursuant to the authority of the Act, \$1,420,000 aggregate principal amount of Project Bonds for the purpose of making a loan to assist the Company in the financing of costs of acquiring, constructing, and equipping the Project and the Project Site to be owned by the Company and used by the Company for the Project Purposes, including costs incidental thereto and to the financing thereof. The Project Bonds shall be designated "City of Fort Wayne, Indiana, Economic Development Revenue Bonds (Health Care Fund Project)". The Issuer may also issue, sell and deliver Additional Bonds on a parity with the Project Bonds for the purposes and in the manner provided in Section 7 of this Bond Legislation.

The Project Bonds shall initially be issued in coupon form and shall be exchangeable for registered or

coupon Bonds in the manner and on the terms provided in the Indenture. Project Bonds in coupon form shall be in the denomination of \$5,000 each, shall be registrable as to principal, shall be dated as of May 1, 1983 and shall be numbered from 1 upwards inclusive.

The Project Bonds shall bear interest from their respective dates at the rates per annum indicated in the schedule below, payable semiannually on May 1 and November 1 of each year, commencing November 1, 1983. The Project Bonds shall mature in accordance with the schedule below.

In the event the Company exercises its option to prepay the Loan as provided in Section 8.2 of the Agreement, the Project Bonds are subject to extraordinary optional redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall exercise its option to prepay the Loan pursuant to Section 8.2 of the Agreement and shall concurrently prepay the Note (or, as provided in said Section 8.4, selection of a prepayment date by the Trustee), shall constitute the direction from the Issuer to the Trustee to call all the then outstanding Project Bonds for extraordinary optional redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

In the event that the Lessee exercises its option to purchase the Project (excluding any assumption, but including any installment purchase in connection with any assumption) as provided in the Lease, the Project Bonds are subject to special mandatory redemption at prepayment prices determined in accordance with the optional redemption price table hereinafter set forth, plus in each case accrued interest to the date of redemption; provided, however, that if the Lessee makes an installment purchase, such redemption shall be made only to the extent that the partial payment of the installment purchase price exceeds the amount of the funds contributed to the Project or to costs of the issuance of the Project Bonds by the Company from sources other than the Loan.

The Project Bonds are also subject to special mandatory redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date if and when (i) the Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Agreement by reason of any changes in the Constitution of the State or the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Issuer or the Company in good faith to such extent that the Note and the obligations evidenced thereby are no longer enforceable by the holder thereof, or (ii)

interest on the Project Bonds shall have become subject to federal income tax because of a Determination of Taxability which is unrelated to any default by the Company under Section 6.8 of the Agreement. In the event that interest on the Project Bonds becomes subject to federal income tax because of a Determination of Taxability as a result of a default by the Company under Section 6.8 of the Agreement, the Project Bonds shall be subject to special mandatory redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 105% of the principal amount thereof plus accrued interest to the redemption date. The redemption price payable with respect to a redemption resulting from a Determination of Taxability shall be increased by an amount equal to 1-1/2% of the principal amount of all Project Bonds then outstanding for each six-month period, or any part thereof, from the date of the Event of Taxability to the date of redemption. With respect to Project Bonds not outstanding on the date of the Determination of Taxability, but which were outstanding on the date of the Event of Taxability, the redemption price shall be increased by an amount equal to 1-1/2% of the principal amount of each of such Project Bonds for each six-month period, or any part thereof, elapsed between the date of the Event of Taxability and the date that such Project Bond was paid or redeemed. Any such redemption shall be made not more than 180 days following the effective date of any such constitutional amendment, legislation, administrative action or final decree, judgment or order, or following the date of the Determination of Taxability (excluding any final determination that interest is subject to federal income tax with respect to any Bond held by a "substantial user" of the Project or by a "related person" thereof, as those terms are used in Section 103(b)(13) of the Code). Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall prepay the Loan in full as required under Section 8.3 of the Agreement and shall concurrently prepay the Note, shall constitute the direction from the Issuer to the Trustee to call all the then outstanding Project Bonds for special mandatory redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

The Bonds maturing on May 1, 1998 and on May 1, 2003 are also subject to mandatory redemption by the Issuer, pursuant to the mandatory sinking fund requirements provided in Section 6 hereof, on each Mandatory Redemption Date at a price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

The Bonds are also subject to optional redemption in whole or in part by the Issuer at the direction of the Company at any time on or after May 1, 1989, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of the principal amounts thereof) set forth below, plus accrued interest to the redemption date:

<u>Maturity Year</u>	<u>Principal Amount Maturing May 1</u>	<u>Interest Rates</u>	<u>Optional Redemption Price Commencing May 1 in Year Shown</u>
1989	\$ 45,000	9.25%	103%
1990	45,000	9.50%	103%
1991	50,000	9.75%	103%
1992	55,000	10.00%	102%
1993	60,000	10.25%	102%
1994	-	-	101%
1995	-	-	101%
1996	-	-	100%
1998	430,000	11.00%	
2003	735,000	12.00%	

Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall exercise its option to prepay all or any portion (in amounts of \$5,000 or any integral multiple thereof) of the Loan Payments pursuant to Section 8.2 of the Agreement shall constitute the direction from the Issuer to the Trustee to call an equivalent principal amount of then outstanding Project Bonds for optional redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

If less than the entire unmatured portion of the Project Bonds shall be called for redemption at any time or from time to time (otherwise than pursuant to any mandatory sinking fund provisions hereof) they shall be called in inverse order of the maturities of the Project Bonds at the time outstanding; and if less than all of the Project Bonds outstanding of one maturity are to be called, the selection of such Project Bonds or portions of fully registered Project Bonds of such maturity to be called shall be made by lot by the Trustee in such manner as the Trustee may determine.

Notice of the call for any redemption of Project Bonds shall be given in accordance with the provisions of Section 3.03 of the Indenture.

Bond service charges on Project Bonds shall be payable, without deduction for services as paying agent, at the corporate trust office of the Trustee.

The Project Bonds shall be executed by the Executive of the Issuer, and the Issuer's seal shall be impressed or reproduced thereon and attested by the City Clerk, provided that either or both of the Executive's and City Clerk's signatures may be facsimiles, and the interest coupons attached thereto, in the case of coupon Project Bonds, shall bear the facsimile signatures of the Executive and the City Clerk. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds or coupons shall cease to be such officer before the issuance, authentication or delivery of such Bonds or coupons, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until that time.

All Bonds shall be negotiable instruments within the meaning of Uniform Commercial Code, as adopted in the State, subject to applicable provisions for registration, and shall express on their faces the purpose for which they are issued and such other statements or legends as may be required by law.

If Bonds are duly called for redemption and if on such redemption date moneys for the redemption of all the Bonds to be redeemed, together with accrued interest to the redemption date, shall be held by the Trustee or Paying Agents so as to be available therefor, then from and after such redemption date such Bonds shall cease to bear interest and any coupons for interest thereon maturing subsequent to the redemption date shall be void.

Section 4. Security Pledged for Bonds. As provided herein, the Bonds shall be equally and ratably payable solely from the Pledged Receipts and secured by a pledge of and lien on moneys deposited in the Construction Fund and Bond Fund and a pledge and assignment of other moneys constituting Pledged Receipts, and further secured by the Indenture and by the pledge and assignment therein of the Note and of all right, title and interest of the Issuer in, to and under the Loan Agreement. The Bonds are further secured by the Mortgage and the Assignment. Anything in the Bond Legislation, the Bonds or the Indenture to the contrary notwithstanding, neither the Bond Legislation, the Bonds, nor the Indenture shall constitute a debt or a pledge of the faith and credit of the Issuer, the State of Indiana or of any political subdivision thereof and the holders or owners of the Bonds shall have no right to have taxes levied by the State or by any political subdivision of the State for the payment of the principal of, premium, if any, or interest on the Bonds, but such Bonds are payable solely from the Pledged Receipts and the Bonds shall contain on the face thereof a statement to that effect; provided, however, that nothing herein shall be deemed to prohibit the Issuer, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of the Indenture, the Bond Legislation or any of the Bonds.

Section 5. Sale of Project Bonds and Allocation of Purchase Price. The Executive and City Clerk are each hereby authorized and directed to offer for sale the Project Bonds to the Original Purchaser for purchase by the Original Purchaser at the price of 95% of the principal amount of the Project Bonds in accordance with the terms and provisions of this Bond Legislation and the Bond Purchase Agreement, and to make the necessary arrangements on behalf of the Issuer with the Original Purchaser to establish the date, location, procedure and conditions for the delivery of the Project Bonds to the Original Purchaser. The Executive and City Clerk further are hereby authorized and directed to take all steps necessary to effect due authentication, delivery and security of the Project Bonds under the terms of this Bond Legislation and the Indenture, and it is hereby determined that the aforesaid purchase price and the interest rate for the Project Bonds and the

manner of sale, as provided in this Bond Legislation, are in the best interest of the Issuer and consistent with all legal requirements. The City Clerk shall cause to be furnished to the Original Purchaser a true transcript of proceedings had with reference to the issuance of the Project Bonds, certified by the City Clerk, along with such information from the City Clerk's records as is necessary to determine the regularity and validity of the issuance of said Bonds.

At the time of issuance, delivery of and payment for the Project Bonds, the Bond Fund Payment, plus capitalized interest, if any, shall be deposited from the purchase price for the Project Bonds into the Bond Fund.

There is hereby created by the Issuer and ordered maintained as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee a trust fund to be designated "City of Fort Wayne - Health Care Fund Construction Fund" (herein called the "Construction Fund"). After deducting the Bond Fund Payment and capitalized interest, if any, as required by the preceding paragraph, the balance of the proceeds of the Project Bonds shall be deposited in the Construction Fund. Moneys in the Construction Fund shall be disbursed by the Trustee in accordance with the provisions of the Agreement, and the Trustee is hereby authorized and directed to issue its check for each disbursement required by the provisions of the Agreement. The Issuer covenants and agrees promptly to take whatever action, if any, is necessary in approving and ordering all such disbursements.

The moneys to the credit of the Construction Fund shall, pending application thereof as above set forth, be subject to a lien and charge in favor of the holders of the Project Bonds, but only to the extent of their interest therein.

Section 6. Source of Payment - Bond Fund.
As provided in the Agreement, Loan Payments sufficient in time and amount to pay the Bond service charges as they come due, are to be paid by the Company directly to the Trustee for the account of the Issuer and deposited in the Bond Fund. Under the provisions of the Agreement, payments with respect to the Note received by the Trustee shall be deposited into the Bond Fund for the account of the Issuer and shall constitute Loan Payments.

There is hereby created by the Issuer and ordered maintained, as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee, a trust fund to be designated "City of Fort Wayne - Health Care Fund Revenue Bond Fund" (herein called the "Bond Fund"). The Bond Fund (and accounts therein provided for in the Indenture or in the Agreement) and the moneys and investments therein are hereby pledged to and shall be used solely and exclusively for the payment of Bond service charges as they fall due at stated maturity or by redemption or pursuant to any mandatory sinking fund requirements, all as provided herein and in the Indenture and the Agreement, provided that no part thereof (other

than any amounts paid as and for any mandatory sinking fund requirements, and except as may otherwise be provided for herein and in the Indenture or the Agreement) shall be used to redeem, prior to maturity, any Bonds.

Anything contained in the preceding paragraph to the contrary notwithstanding, moneys paid into the Bond Fund pursuant to the provisions of Section 2.10 of the Agreement relating to Project Bonds which were not outstanding on the date of a Determination of Taxability, but which were outstanding on the date of an Event of Taxability, shall be used solely for payment as follows: In the event any person who was a Bondholder at the time of an Event of Taxability shall present to the Trustee written proof satisfactory to the Trustee that he was a holder of such Project Bond at such time, but that such Project Bond matured or was redeemed prior to a Determination of Taxability, he shall be entitled to, and the Trustee shall pay to him from such moneys an amount equal to 1-1/2% of the principal amount of such Bond for each six-month period or part thereof elapsed between the date of the Event of Taxability and the date such Bond matured or was redeemed.

On or before each date when Bond service charges are due and payable, the Trustee shall transmit from moneys in the Bond Fund applicable thereto to any other Paying Agents, as appropriate, amounts sufficient to meet payments to be made by them of Bond service charges to be then due and payable; provided that to the extent that the amount needed by any other Paying Agent is not sufficiently predictable, the Trustee may make such credit arrangements with such Paying Agent so as to permit meeting such payments.

There shall be deposited into the Bond Fund (and credited, if required by the Indenture or the Agreement, to appropriate accounts therein), as and when received, (a) all Loan Payments and (b) all other Pledged Receipts, except those amounts required by the Indenture or the Agreement to be deposited in the Construction Fund or any other separate insurance or condemnation proceeds account.

As and for the mandatory sinking fund requirements for the retirement, by mandatory redemption pursuant to Section 3 hereof, of the Project Bonds, the aggregate of the Loan Payments specified in Section 2.1 of the Agreement which is to be deposited in the Bond Fund on or before each Loan Payment Date (as defined in the Agreement) shall include amounts sufficient to redeem (less the amount of any credit as provided in the next following paragraph) on each corresponding Mandatory Redemption Date the principal amount of Project Bonds set opposite the appropriate year as follows:

\$430,000 Term Bonds Maturing May 1, 1998

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>	<u>Stated Maturity</u>
1994	\$ 70,000	
1995	75,000	

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>	<u>Stated Maturity</u>
1996	85,000	
1997	95,000..	
1998		\$105,000

\$735,000 Term Bonds Maturing May 1, 2003

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>	<u>Stated Maturity</u>
1999	\$115,000	
2000	130,000	
2001	145,000	
2002	165,000	
2003		\$180,000

For the purpose of effecting said mandatory redemption the Trustee, on behalf of the Issuer and without necessity for further action by the Issuer or the Company, shall cause to be redeemed, in the manner provided in Section 3 hereof, on each Mandatory Redemption Date such aggregate principal amount of the Project Bonds as equals the mandatory sinking fund requirements as provided for above in this Section 6 for the applicable Mandatory Redemption Date. Project Bonds called for redemption pursuant to the mandatory sinking fund redemption provisions hereof shall be called by lot in such manner as may be determined by the Trustee.

At its option, to be exercised on or before the 45th day preceding any Mandatory Redemption Date, the Issuer, or the Company on behalf of the Issuer, may (a) deliver to the Trustee for cancellation Project Bonds in any aggregate principal amount, with, if coupon Bonds, all unmatured coupons attached, or (b) receive a credit against the current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the Issuer under the preceding paragraph for any Project Bonds which prior to such date have been redeemed (other than through the operation of the mandatory sinking fund requirements provided for in this Section) or purchased for cancellation and cancelled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund requirement (and corresponding mandatory redemption obligation) under said preceding paragraph. Each Project Bond so delivered or previously redeemed or purchased for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the respective mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the Issuer on such Mandatory Redemption Date, and any excess of such amount shall be credited against future mandatory sinking fund requirements (and corresponding mandatory redemption obligations) in chronological order. The Issuer, or the Company on behalf of the Issuer, will on or before the 45th day preceding each Mandatory Redemption Date furnish the Trustee with a certificate, signed by the Fiscal Officer, or by the Authorized Company Representative (as defined in the Agreement), stating the extent to which the provisions of (a) and (b) of the first sentence of this paragraph are to be availed of with

respect to such mandatory sinking fund requirement (and corresponding mandatory redemption obligation) for such Mandatory Redemption Date; unless such certificate is so timely furnished to the Trustee, the Trustee shall not be required to reduce such requirement and obligation provided for in the preceding paragraph.

The Issuer hereby covenants and agrees that, so long as any of the Bonds are outstanding, it will deposit, or cause to be deposited, in the Bond Fund Pledged Receipts sufficient in time and amount to pay the Bond service charges as the same become due and payable, and to this end the Issuer covenants and agrees that, so long as any Bonds are outstanding, it will diligently and promptly proceed in good faith and use its best efforts to enforce the Agreement, and that, should there be an event of default under the Agreement, the Issuer shall fully cooperate with the Trustee and with the Bondholders to protect fully the rights and security of the Bondholders hereunder. Nothing herein shall be construed as requiring the Issuer to use or apply to the payment of Bond service charges any funds or revenues from any source other than Pledged Receipts.

The Issuer covenants and agrees, whenever the moneys and investments in the Bond Fund (or otherwise held by the Trustee for such purpose) are sufficient in amount to redeem all of the Bonds then outstanding and to pay interest to accrue thereon to the date or dates of such redemption, to take and cause to be taken, at the direction of the Company, the necessary steps to redeem all of said Bonds on the next succeeding redemption date or dates for which the required notice of call for redemption may be given.

Section 7. Additional Bonds. At the request of the Company, if the Company is not then in default under the Agreement, the Issuer, to the extent permitted by law (including the Act) then in effect and for purposes consistent with the Act, shall use its best efforts to issue Additional Bonds from time to time to provide loans to the Company for: (i) the acquisition for the Project of additional real estate or interests therein, or repairs to the Project of a major nature arising from casualty or unanticipated conditions, or (ii) the acquisition, construction and installation of additional economic development facilities to be used in connection with the Project and to be located on the Project Site, or to be used in connection with other facilities located within the boundaries of the Issuer which are owned in whole or in part by the Company, or any combination thereof, or (iii) refunding the Project Bonds or any one or more series of Additional Bonds, or (iv) any combination of the foregoing; provided, that the proceeds of any Additional Bonds shall be used solely to pay permissible costs under the Act, and provided further that no Additional Bonds may be issued unless the Company shall first provide to the Trustee and the Original Purchaser a certificate by an independent certified public accountant to the effect that the gross income (defined as net income plus fixed charges) of the Company for a 12-month period ending on the calendar quarter immediately

prior to the proposed date of issuance of such Additional Bonds and for the 12-month period ended as of the same calendar quarter of the preceding year was at least one and two-tenths (1.2) times the fixed charges of the Company for such period after adjusting the fixed charges of the Company as if such Additional Bonds had been outstanding in said two 12-month periods. Such Additional Bonds shall be on a parity with the Project Bonds and any Additional Bonds theretofore or thereafter issued. Before any Additional Bonds are authenticated there shall be delivered to the Trustee the items required by Section 2.08 of the Indenture and (a) any necessary amendment of the Agreement to provide for increased Loan Payments so that the aggregate of the Loan Payments thereafter payable under the Agreement shall be sufficient in amount to make all required payments into the Bond Fund in order to pay when due Bond service charges on all Bonds then to be outstanding, and for all Additional Payments (as defined in the Agreement) by the Company under the provisions of the Agreement and the Bond Legislation, and (b) either the opinion of nationally recognized bond counsel or a ruling of the Internal Revenue Service of the United States Department of Treasury that the issuance of such series of Additional Bonds will not adversely affect the exemption from Federal income taxation of the interest paid or payable on any outstanding Bonds. The Additional Bonds shall be issued in the aggregate principal amount, mature, be subject to redemption, and contain such other terms as are set forth in the Bond Legislation authorizing their issue.

Section 8. Covenants of Issuer. In addition to other covenants of the Issuer in this Bond Legislation and the Indenture contained, the Issuer further covenants and agrees as follows:

(a) Payment of Bond Service Charges. The Issuer will, solely from Pledged Receipts, pay or cause to be paid the Bond service charges on each and all Bonds on the dates, at the places and in the manner provided herein, in the applicable Bond Legislation and in the Bonds and coupons.

(b) Performance of Covenants, Authority and Actions. The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Bond Legislation, the Agreement, the Indenture and in any and every Bond executed, authenticated and delivered under the Indenture, and in all proceedings of the Issuer pertaining to the Bonds, the Indenture or the Agreement. The Issuer warrants and covenants that it is, and upon delivery of the Project Bonds will be, duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Project Bonds and to execute the Indenture, the Agreement and the Bond Purchase Agreement, to provide the security for payment of the Bond service charges in the manner and to the extent herein and in the Indenture set forth; that all actions on its part for the issuance of the Project Bonds and execution and delivery of the Indenture, the Agreement and the Bond Purchase Agreement have been or will be duly and effectively taken; and

that the Project Bonds and the coupons pertaining thereto in the hands of the holders thereof will be valid and enforceable special obligations of the Issuer according to the terms thereof. Each provision of the Bond Legislation, Indenture, Agreement, the Bond Purchase Agreement and Bonds is binding upon each such officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duties required by such provision; and each duty of the Issuer and of its officers undertaken pursuant to such proceedings for the Bonds is established as a duty of the Issuer and of each such officer having authority to perform such duty.

(c) Pledged Receipts. Except as otherwise provided in the Bond Legislation, Indenture and Agreement, the Issuer will not create or suffer to be created any debt, lien or charge thereon, or make any pledge or assignment of or create any debt, lien or charge thereon, or make any pledge or assignment of or create any lien or encumbrance upon the Pledged Receipts, including the moneys in the Bond Fund and Construction Fund, other than the pledge and assignment thereof under the Bond Legislation, Indenture and Agreement.

(d) Recordings and Filings. The Agreement will not be recorded or filed; however the Issuer will cause the Mortgage and all necessary financing statements, amendments thereto, continuation statements and instruments of similar character relating to the pledges and assignments made by it to secure the Bonds, to be recorded and filed in such manner and in such places and to the extent required by law in order to fully preserve and protect the security of the holders of the Bonds and the rights of the Trustee under the Indenture.

(e) Inspection of Project Books. All books and documents in the Issuer's possession relating to the Project or the Pledged Receipts shall at all times be open to inspection by such accountants or other agents of the Trustee as the Trustee may from time to time designate.

(f) List of Bondholders. To the extent that such information shall be made known to the Issuer under the terms of this paragraph, the Issuer will keep or arrange to have kept on file at the corporate trust office of the Trustee a list of names and addresses of the last known holders of Bonds payable to bearer. Any Bondholder may in a writing addressed to the Issuer or Trustee request that his name and address be placed on said list, which request shall include a statement of the principal amount of Bonds held by such holder and shall identify, by number and series designation, such Bonds. Neither the Issuer nor the Trustee shall be under any responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Company, or by the holders (or a designated representative thereof) of 25% or more in principal amount of Bonds then outstanding, such

holding and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

(g) Rights under Agreement. The Trustee, in its name or in the name of the Issuer, may, for and on behalf of the Bondholders, enforce all rights of the Issuer and all obligations of the Company under and pursuant to the Agreement and Note, whether or not the Issuer has pursued or attempted to enforce such rights and obligations.

(h) Maintenance of Agreement. The Issuer shall do all things and take all actions on its part necessary to comply with the obligations, duties and responsibilities on the part of the Issuer under the Agreement, and will take all actions within its authority to maintain the Agreement in effect in accordance with the terms thereof and to enforce and protect the rights of the Issuer thereunder, including actions at law and in equity, as may be appropriate.

(i) Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Project Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Project Bonds are delivered to the Original Purchaser, so that they will not constitute "arbitrage bonds" under Section 103(c) of the Code. The City Clerk or any other officer having responsibility with respect to the issuance of the Project Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Legislative Authority, or any officer of the Company, and upon receipt of satisfactory indemnities, to give an appropriate certificate on behalf of the Issuer, for inclusion in the transcript of proceedings for the Project Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 103(c), of the Code.

Section 9. Investment of Bond Fund and Construction Fund. Moneys in the Bond Fund and the Construction Fund shall be invested and reinvested by the Trustee in any Eligible Investments, in accordance with and subject to any orders of the Authorized Company Representative (as defined in the Agreement) with respect thereto, provided that investments of moneys in the Bond Fund shall mature or be redeemable at the option of the holder at the times and in the amounts necessary to provide moneys hereunder to pay Bond service charges as they fall due at stated maturity or by redemption or pursuant to any mandatory sinking fund requirements, and that each investment of moneys in the Construction Fund shall in any event mature or be redeemable at the option of the holder at such time as may be necessary to make timely payments from said Fund. In the absence of timely direction by the Authorized Company Representative, the Trustee is authorized to make such investments as it deems in the best interests of the Company. Subject to any such orders with respect thereto, the Trustee may from time to time sell such investments and reinvest the proceeds therefrom in Eligible Investments

maturing or redeemable as aforesaid. Any such investments may be purchased from the Trustee. The Trustee shall sell or redeem investments standing to the credit of the Bond Fund to produce sufficient moneys hereunder at the times required for the purpose of paying Bond service charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any such order. An investment made from moneys credited to the Bond Fund or the Construction Fund shall constitute part of that respective Fund and such respective Fund shall be credited with all proceeds of sale and income from such investment. For purposes of the Indenture and this Bond Legislation, such investments shall be valued at face amount or market value, whichever is less. The covenant contained in Section 4.5 of the Agreement shall apply to investments of moneys in the Bond Fund and Construction Fund.

Section 10. Indenture, Agreement and Bond Purchase Agreement; Assignment of Note. In order better to secure the payment of the Bond service charges as the same shall become due and payable, the Executive and City Clerk are hereby authorized and directed to execute, acknowledge and deliver the Indenture, Agreement and Bond Purchase Agreement in substantially the forms submitted to the Issuer, and to endorse upon the Note the assignment thereof to the Trustee, which instruments are hereby approved, with such changes therein not inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officers executing the same. The approval of such changes by said officers, and their determination that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of the Indenture, the Agreement and the Bond Purchase Agreement, respectively, and by endorsement of the Note, by such officers.

This Bond Legislation shall constitute a part of the Indenture as therein provided and for all purposes of said Indenture, except that this Bond Legislation may not be amended, modified or supplemented except by action of the Legislative Authority.

Section 11. Other Documents. The Executive and City Clerk are hereby further authorized and directed to execute financing statements, other assignments and any other instruments as are, in the opinion of the bond counsel to the Issuer, necessary to perfect the pledges set forth in the Indenture and to consummate the transactions provided for in the Indenture and Agreement. The Executive and City Clerk are also authorized to execute on behalf of the Issuer an Official Statement with respect to the Project Bonds, if the Original Purchaser shall so request.

Section 12. Section 103 (b) (6) (D) Election. The Issuer hereby elects to have the provisions as to the limit in Section 103 (b) (6) (D) of the Code applied to the Bonds; and the Executive and the City Clerk of the Issuer be and they are hereby authorized, empowered and directed to take any and all further action which may be required to implement and effectuate such election,

including without limitation the preparation and filing of such statement or statements or other document or documents as may be deemed by them to be necessary or advisable in order to comply with the procedure set forth in section 1.103-10(b)(2)(vi) of the Income Tax Regulations (26 CFR Part 1) under Section 103 of the Code.


Section 13. Designation of Trustee. Anthony Wayne Bank, Fort Wayne, Indiana, is hereby designated Trustee under the Indenture. The Issuer hereby recognizes, agrees to and approves the deposit of the proceeds of the Bonds with the Trustee under the Indenture which amount shall be held and applied by said Trustee in accordance with the provisions of this Bond Legislation and the Indenture. The Executive and the City Clerk of the Issuer are hereby authorized to direct the Trustee to authenticate and deliver the Bonds.

Section 14. Compliance with Public Hearing and Approval Requirements. It is hereby found and determined that all formal actions of this Legislative Authority and of the Commission concerning and relating to the passage of this Bond Legislation were taken in a public session of this Legislative Authority or the Commission, and that all deliberations of this Legislative Authority, the Commission and of their committees, if any, that resulted in such formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Indiana Code 36-7-12-24 and Section 103 (k) of the Code.

Section 15. Effective Date. This Bond Legislation shall take effect and be in force immediately upon its adoption.

COUNCILMAN

APPROVED AS TO FORM AND
LEGALITY.



John J. Wernet, Attorney for the
Port Wayne Economic Development Commission
Dated this 16th day of May, 1983.

Read the first time in full and on motion by _____,
seconded by _____, and duly adopted, read the second time
by title and referred to the Committee _____ (and the City
Plan Commission for recommendation) and Public Hearing to be held after
due legal notice, at the Council Chambers, City-County Building, Fort Wayne,
Indiana, on _____, the _____ day of
_____, 19____, at _____ o'clock _____.M.,E.S.T.

DATE: _____

CHARLES W. WESTERMAN - CITY CLERK

Read the third time in full and on motion by _____,
seconded by _____, and duly adopted, placed on its
passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	_____	_____	_____	_____	_____
<u>BRADBURY</u>	_____	_____	_____	_____	_____
<u>BURNS</u>	_____	_____	_____	_____	_____
<u>EISBART</u>	_____	_____	_____	_____	_____
<u>GiaQUINTA</u>	_____	_____	_____	_____	_____
<u>SCHMIDT</u>	_____	_____	_____	_____	_____
<u>SCHOMBURG</u>	_____	_____	_____	_____	_____
<u>SCRUGGS</u>	_____	_____	_____	_____	_____
<u>STIER</u>	_____	_____	_____	_____	_____
<u>TALARICO</u>	_____	_____	_____	_____	_____

DATE: _____

CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne,
Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL)
(APPROPRIATION) ORDINANCE (RESOLUTION) NO. _____
on the _____ day of _____, 19____.

ATTEST:

(SEAL)

CHARLES W. WESTERMAN - CITY CLERK

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on
the _____ day of _____, 19____, at the hour of
_____ o'clock _____.M.,E.S.T.

CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this _____ day of _____
19____, at the hour of _____ o'clock _____.M.,E.S.T.

WIN MOSES, JR. - MAYOR

SPECIAL ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,420,000 ECONOMIC DEVELOPMENT REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, IN ORDER TO ASSIST HEALTH CARE FUND IN THE FINANCING OF COSTS OF AN ECONOMIC DEVELOPMENT FACILITY; AUTHORIZING THE ISSUANCE OF ADDITIONAL BONDS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SAID BONDS; AUTHORIZING A LOAN AGREEMENT WITH RESPECT TO THE PROCEEDS DERIVED FROM THE SALE OF SAID BONDS; AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF SAID BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT WITH THE ORIGINAL PURCHASER; AND AUTHORIZING THE ASSIGNMENT BY THE CITY OF A NOTE AND LOAN AGREEMENT.

WHEREAS, the City of Fort Wayne, Indiana (hereinafter called the "Issuer") is by virtue of the laws of Indiana, including Indiana Code Sec. 36-7-12, as amended, authorized and empowered, among other things, (a) to issue revenue bonds in order to assist in the financing of costs of economic development facilities located within the boundaries of the Issuer, (b) to enter into an agreement with the user of such facilities providing for revenues sufficient to pay the principal of and interest and any premium on such revenue bonds, (c) to secure such revenue bonds by a trust agreement between the Issuer and a corporate trustee, and by a pledge and assignment of such revenues, as provided for herein, and (d) to enact this Bond Legislation and enter into the Indenture and the Loan Agreement, as hereinafter identified, upon the terms and conditions provided therein; and

WHEREAS, HEALTH CARE FUND is a business trust duly organized and existing under and by virtue of the laws of the State of Ohio and qualified to do business in the State of Indiana; and

WHEREAS, it is hereby determined by this Legislative Authority that the acquisition, construction, and equipping of the Project by the Company, as hereinafter defined, including the financing thereof will require the issuance, sale and delivery of Project Bonds in the principal amount of \$1,420,000 and hereafter may require the Issuer's issuance, sale and delivery of Additional Bonds on a parity therewith, all of which Bonds shall be equally and ratably payable and secured as provided herein and in the Indenture authorized herein;

NOW THEREFORE, BE IT ORDAINED BY THE Common Council of the City of Fort Wayne, Indiana:

Section 1. Definitions. In addition to the words and terms elsewhere defined in this Bond Legislation or in the Agreement and used herein as defined words and terms, the following words and terms as used in this Bond Legislation and in the Indenture authorized herein shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

"Act" means Indiana Code Sec. 36-7-12, as enacted and amended.

"Additional Bonds" means Bonds issued pursuant to Section 7 of this Bond Legislation.

"Agreement" means the Loan Agreement, provided for in Section 11 hereof, between the Issuer and the Company, dated as of April 1, 1983, as the same may be duly amended, modified or supplemented in accordance with the provisions thereof.

"Assignment" means the Assignment of Rents and Leases of even date herewith from the Company to the Trustee.

"Bonds" means the Project Bonds and any Additional Bonds issued and to be issued pursuant to the Indenture.

"Bond Fund" means the Bond Fund created by Section 6 hereof.

"Bond Fund Payment" means as to the Project Bonds an amount equal to the interest accrued on the Project Bonds from their date to the date of their delivery to the Original Purchaser and payment therefor and as to the Additional Bonds the amount specified in the Bond Legislation authorizing such Additional Bonds, provided that the Bond Fund Payment for any Additional Bonds shall not be less than an amount equal to the interest accrued on such Additional Bonds from their date to the date of delivery of such Additional Bonds to their Original Purchaser and payment therefor.

"Bondholder" or "holder" or "holder of Bonds" means any person who is the bearer of a coupon Bond which is not registered as to principal or the principal of which is registered to bearer, or the person in whose name a registered Bond is registered, and "holder" when used with reference to a coupon means the bearer of the coupon.

"Bond Legislation" means this resolution authorizing the Project Bonds, except that when used with reference to an issue of Additional Bonds it shall mean this Bond Legislation to the extent applicable and the other legislation providing for the issuance of such Additional Bonds, and except that when used with reference to Bonds when Additional Bonds are outstanding it shall mean this Bond Legislation and the Bond Legislation providing for the issuance of Additional Bonds, all as the same may from time to time be lawfully amended, modified or supplemented.

"Bond Purchase Agreement" means the bond purchase agreement, by and between the Issuer and the Original Purchaser, pertaining to the purchase of the Project Bonds.

"Bond service charges" for any time period means the principal, including any mandatory sinking fund requirements, interest, and redemption premium, if any, required to be paid by the Issuer on the Bonds for such time period.

"Code" means the Internal Revenue Code of 1954, as amended, and with respect to a specific section thereof such reference shall be deemed to include (i) the regulations promulgated under such section, (ii) any successor provision of similar import hereafter enacted, (iii) any corresponding provisions of any subsequent Internal Revenue Code, and (iv) the regulations promulgated under the provisions described in (ii) and (iii).

"Commission" means the Fort Wayne, Indiana Economic Development Commission.

"Company" means Health Care Fund, an unincorporated Ohio business trust operating as a real estate investment trust pursuant to Sections 856 to 860, inclusive, of the Code and its successors and assigns including any surviving, resulting or transferee entity as provided in Section 6.3 of the Agreement.

"Construction Fund" means the Construction Fund created by Section 5 hereof.

"Coupon" or "interest coupon" means a coupon issued hereunder evidencing an installment of interest on a coupon Bond.

"Coupon bond registered as to principal" means any coupon Bond at the time registered as to principal in the name of the Bondholder.

"Determination of Taxability" means the final adoption of legislation or regulations or a final determination, decision, decree, ruling or technical advice by any judicial or administrative authority or by the Internal Revenue Service as a result of the limitations prescribed in Section 103(b)(6) of the Code having been exceeded, any of which has the effect of requiring interest on the Bonds to be included in the gross income for Federal income tax purposes of the holder or registered owner of the Bonds (other than a holder or registered owner who is a "substantial user" of the Project or a "related person" as those terms are used in Section 103(b)(13) of the Code). A decision or ruling by any judicial or administrative authority shall not be considered final for the purposes of this definition until the expiration or waiver of all periods for judicial review or appeal, as the case may be, in which review or appeal the Company has participated or has had an opportunity to participate. Such determination shall be deemed to have occurred upon receipt by the Trustee of evidence thereof.

"Eligible Investments" means (i) obligations issued or guaranteed by the United States of America, or by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to the

authority granted by Congress, the payment of the principal and interest of which is fully and unconditionally guaranteed by the United States of America; (ii) obligations issued or guaranteed by any state or political subdivision thereof rated A or higher by Moody's Investors Service, Inc. or by Standard & Poor's Corporation, both of New York, New York, or their successors; (iii) open market commercial or finance paper of any corporation having a net worth in excess of \$100,000,000 and which is rated either P-1 or A-1 or an equivalent by Moody's Investors Service, Inc. or Standard & Poor's Corporation, both of New York, New York, or their successors; (iv) investments due within 12 months in certificates of deposit issued by, or bankers' acceptances of, the Trustee, or of banks, savings banks, savings and loan associations or trust companies organized under the laws of the United States of America or any state thereof, which must have a reported capital and surplus of at least \$25,000,000 in dollars of the United States of America; (v) regular savings accounts of bank or trust companies, including the Trustee, or of savings and loan or building and loan associations, organized under the laws of the United States of America or of the State, which institution has a reported capital and surplus of at least \$25,000,000 in dollars of the United States of America; provided, however, that at no time shall any sum in excess of \$5,000 be invested in any savings account; (vi) repurchase agreements, including the Trustee's, fully secured by obligations of the type specified in (i) above; and (vii) regulated money market funds invested in United States government obligations; provided that any such investment or deposit is not prohibited by law.

"Event of Taxability" means the date on which the interest payable on the Bonds becoming includable in the gross income for federal income tax purposes of the holder or registered owner of the Bonds (other than a holder or registered owner who is a "substantial user" of the Project or a "related person" as those terms are used in Section 103(b)(13) of the Code).

"Executive" means the Mayor of the Issuer.

"Indenture" means the Trust Indenture, provided for in Section 10 hereof, between the Issuer and the Trustee, dated as of April 1, 1983, including this Bond Legislation as part thereof, as the same may be amended, modified or supplemented in accordance with the provisions thereof.

"Lease" means the lease agreement to be executed between the Company and the Lessee pursuant to which the Project will be leased for operation by the Lessee, which Lease shall be subordinate to the Mortgage.

"Legislative Authority" means the Common Council of the Issuer.

"Lessee" means Cal-Temp, Inc., an Indiana corporation (which proposes to enter into the Lease with the Company), and any other lessee of the Company or any subsequent assignee of the initial Lessee.

"Loan" means the loan by the Issuer to the Company of the proceeds from the sale of the Project Bonds to the Original Purchaser, after deducting the Bond Fund Payment, as the same may hereafter be increased from the proceeds from the sale of Additional Bonds.

"Loan Payments" means the amounts required to be paid by the provisions of Section 2.1 of the Agreement, as the same may hereafter be amended or supplemented, in repayment of the Loan.

"Mandatory Redemption Date" means April 1 of the years, and as to any Additional Bonds, the date or dates specified in the applicable Bond Legislation on which such Additional Bonds are to be retired pursuant to mandatory sinking fund requirements. As appropriate, the maturity date denoting a particular series of Project Bonds shall be used in conjunction with the term "Mandatory Redemption Date".

"Mandatory sinking fund requirements" means amounts required by any Bond Legislation to be deposited in the Bond Fund for the purpose of retiring, on a specified date, principal maturities of Bonds which by their terms are due and payable, if not called for prior redemption, at a subsequent date.

"Mortgage" means the Mortgage and Security Agreement pertaining to the Project Site and the Project from the Company, as mortgagor, to the Trustee, as mortgagee and secured party, of even date with the Agreement, and any amendment and supplements thereto.

"Note" or "Notes" means the Promissory Note of even date with the Agreement constituting an unconditional promise of the Company to repay the Loan to the Issuer, and in the form of Note attached as Exhibit A to the Agreement, and any additional promissory Note or Notes executed and delivered with respect to Additional Bonds.

"Original Purchaser" means, as to the Project Bonds, Raymond, James & Associates, Inc. and, as to Additional Bonds, the person or persons identified as such in the Bond Legislation providing for the issuance of such Additional Bonds.

"Pledged Receipts" means (a) the Loan Payments, including the payments of principal of and interest and any premium on the Note, (b) subject to the provisions of Sections 3.04 and 8.02 of the Indenture with respect to the Trustee holding moneys for the benefit of the holders of particular Bonds, all other moneys received by the Issuer, or the Trustee for the account of the Issuer, pursuant to the Agreement or in respect to the Loan, (c) the proceeds of the Bonds including all moneys deposited in the Construction Fund and (d) the income and profit from the investment of the Loan Payments, any other moneys held by the Trustee under the Indenture, and the moneys deposited in the Construction Fund.

"Project" means the real, personal, or real and personal property, including undivided or other interests therein, identified in Exhibit B to the Agreement, in or pursuant to any amendments to the Agreement, and in the certificate of the Project Supervisor given pursuant to Section 3.3 of the Agreement, and acquired, constructed or installed in replacement or substitution therefor or in addition thereto, and as may result from a revision of the Plans and Specifications (as defined in the Agreement) in accordance with the provisions of the Agreement.

"Project Bonds" means the Bonds authorized in Section 3 hereof and designated "Economic Development Revenue Bonds (Health Care Fund Project)".

"Project Purposes" means the purposes of an economic development facility as described in the Act.

"Project Site" means the real estate constituting the site of and a part of the Project, which real estate is described in Exhibit C to the Agreement.

"Registered Bonds" means Bonds registered in the name of the holder, including coupon Bonds registered as to principal (except to bearer).

"State" means the State of Indiana.

"Trustee" means the Trustee at the time serving under the Indenture, originally Anthony Wayne Bank, Fort Wayne, Indiana, as Trustee, and any successor Trustee as determined or designated under or pursuant to the Indenture.

Any reference herein to the Issuer, to the Legislative Authority, or to any officers thereof, shall include any entity which succeeds to its or their functions, duties or responsibilities pursuant to or by operation of law. Any reference to a section or provision of the Act shall include such section or provision or chapter as from time to time amended, modified, revised, supplemented, or superseded; provided, however, that no such change (a) shall alter the obligation to pay the Bond service charges in the amounts and manner, at the times, and from the sources provided in the Bond Legislation and the Indenture, except as otherwise herein permitted or (b) shall be deemed applicable by reason of this provision if such change would in any way constitute an impairment of the rights of the Issuer or the Company under the Agreement or the Indenture.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof", "hereby", "hereto", "hereunder", and similar terms, mean this Bond Legislation and the Indenture.

Section 2. Findings and Determinations of Legislative Authority. The Legislative Authority hereby determines:

- (a) that the initial resolution adopted by the Commission on March 3, 1983; and the initial resolution of the Legislative Authority adopted on March 22, 1983, are hereby found to be in the best interest of the Issuer and are in all respects approved, ratified, confirmed, readopted and declared to be and remain in full force and effect;
- (b) that the financing of the Project, previously approved by the Commission and recommended to the Legislative Authority, the issuance and sale of the Bonds, the use of the net proceeds thereof to make a loan to the Company for the acquisition, construction and equipping of the Project, and the payment of the Bonds by the payments of the Company under the Loan Agreement will be of benefit to the health and welfare of the Issuer, and its citizens, in furtherance of the purposes of the Act;
- (c) that the financing of the Project by the Issuer complies in every respect with the purposes and provisions of the Act; and
- (d) that the Project will not have an adverse competitive effect on similar facilities already constructed and operating in Allen County, Indiana.
- (e) based upon representations made by the Company to the Issuer, the Issuer hereby determines that the aggregate cost of the Project will be not less than \$1,420,000.

Section 3. Authorization and Terms of Project Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided and authorized herein and pursuant to the authority of the Act, \$1,420,000 aggregate principal amount of Project Bonds for the purpose of making a loan to assist the Company in the financing of costs of acquiring, constructing, and equipping the Project and the Project Site to be owned by the Company and used by the Company for the Project Purposes, including costs incidental thereto and to the financing thereof. The Project Bonds shall be designated "City of Fort Wayne, Indiana, Economic Development Revenue Bonds (Health Care Fund Project)". The Issuer may also issue, sell and deliver Additional Bonds on a parity with the Project Bonds for the purposes and in the manner provided in Section 7 of this Bond Legislation.

The Project Bonds shall initially be issued in coupon form and shall be exchangeable for registered or coupon Bonds in the manner and on the terms provided in the Indenture. Project Bonds in coupon form shall be in the denomination of \$5,000 each, shall be registrable as to principal, shall be dated as of April 1, 1983 and shall be numbered from 1 upwards inclusive.

The Project Bonds shall bear interest from their respective dates at the rates per annum indicated in the schedule below, payable semiannually on April 1 and October 1 of each year, commencing October 1, 1983. The Project Bonds shall mature in accordance with the schedule below.

In the event the Company exercises its option to prepay the Loan as provided in Section 8.2 of the Agreement, the Project Bonds are subject to extraordinary optional redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall exercise its option to prepay the Loan pursuant to Section 8.2 of the Agreement and shall concurrently prepay the Note (or, as provided in said Section 8.4, selection of a prepayment date by the Trustee), shall constitute the direction from the Issuer to the Trustee to call all the then outstanding Project Bonds for extraordinary optional redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

In the event that the Lessee exercises its option to purchase the Project (excluding any assumption, but including any installment purchase in connection with any assumption) as provided in the Lease, the Project Bonds are subject to special mandatory redemption at prepayment prices determined in accordance with the optional redemption price table hereinafter set forth, plus in each case accrued interest to the date of redemption; provided, however, that if the Lessee makes an installment purchase, such redemption shall be made only to the extent that the partial payment of the installment purchase price exceeds the amount of the funds contributed to the Project or to costs of the issuance of the Project Bonds by the Company from sources other than the Loan.

The Project Bonds are also subject to special mandatory redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date if and when (i) the Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Agreement by reason of any changes in the Constitution of the State or the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Issuer or the Company in good faith to such extent that the Note and the obligations evidenced thereby are no longer enforceable by the holder thereof, or (ii) interest on the Project Bonds shall have become subject to federal income tax because of a Determination of Taxability which is unrelated to any default by the Company under Section 6.8 of the Agreement. In the event that interest on the Project Bonds becomes subject to federal income tax because of a Determination of Taxability as a result of a

default by the Company under Section 6.8 of the Agreement, the Project Bonds shall be subject to special mandatory redemption by the Issuer prior to stated maturity at any time in whole at a redemption price of 105% of the principal amount thereof plus accrued interest to the redemption date. The redemption price payable with respect to a redemption resulting from a Determination of Taxability shall be increased by an amount equal to 1-1/2% of the principal amount of all Project Bonds then outstanding for each six-month period, or any part thereof, from the date of the Event of Taxability to the date of redemption. With respect to Project Bonds not outstanding on the date of the Determination of Taxability, but which were outstanding on the date of the Event of Taxability, the redemption price shall be increased by an amount equal to 1-1/2% of the principal amount of each of such Project Bonds for each six-month period, or any part thereof, elapsed between the date of the Event of Taxability and the date that such Project Bond was paid or redeemed. Any such redemption shall be made not more than 180 days following the effective date of any such constitutional amendment, legislation, administrative action or final decree, judgment or order, or following the date of the Determination of Taxability (excluding any final determination that interest is subject to federal income tax with respect to any Bond held by a "substantial user" of the Project or by a "related person" thereof, as those terms are used in Section 103(b)(13) of the Code). Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall prepay the Loan in full as required under Section 8.3 of the Agreement and shall concurrently prepay the Note, shall constitute the direction from the Issuer to the Trustee to call all the then outstanding Project Bonds for special mandatory redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

The Bonds maturing on April 1, 1998 and on April 1, 2003 are also subject to mandatory redemption by the Issuer, pursuant to the mandatory sinking fund requirements provided in Section 6 hereof, on each Mandatory Redemption Date at a price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

The Bonds are also subject to optional redemption in whole or in part by the Issuer at the direction of the Company at any time on or after April 1, 1989, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of the principal amounts thereof) set forth below, plus accrued interest to the redemption date:

Maturity Year	Principal Amount Maturing April 1	Interest Rates	Optional Redemption
			Price Commencing April 1 in Year Shown
1989	\$ 45,000	9.25%	103%
1990	45,000	9.50%	103%
1991	50,000	9.75%	103%

<u>Maturity Year</u>	<u>Principal Amount Maturing April 1</u>	<u>Interest Rates</u>	<u>Optional Redemption Price Commencing April 1 in Year Shown</u>
1992	55,000	10.00%	102%
1993	60,000	10.25%	102%
1994	-	-	101%
1995	-	-	101%
1996	-	-	100%
1998	430,000	11.00%	
2003	735,000	12.00%	

Notice from the Company to the Trustee pursuant to Section 8.4 of the Agreement that the Company shall exercise its option to prepay all or any portion (in amounts of \$5,000 or any integral multiple thereof) of the Loan Payments pursuant to Section 8.2 of the Agreement shall constitute the direction from the Issuer to the Trustee to call an equivalent principal amount of then outstanding Project Bonds for optional redemption pursuant to this paragraph, and no separate notice from the Issuer to the Trustee shall be required.

If less than the entire unmatured portion of the Project Bonds shall be called for redemption at any time or from time to time (otherwise than pursuant to any mandatory sinking fund provisions hereof) they shall be called in inverse order of the maturities of the Project Bonds at the time outstanding; and if less than all of the Project Bonds outstanding of one maturity are to be called, the selection of such Project Bonds or portions of fully registered Project Bonds of such maturity to be called shall be made by lot by the Trustee in such manner as the Trustee may determine.

Notice of the call for any redemption of Project Bonds shall be given in accordance with the provisions of Section 3.03 of the Indenture.

Bond service charges on Project Bonds shall be payable, without deduction for services as paying agent, at the corporate trust office of the Trustee.

The Project Bonds shall be executed by the Executive of the Issuer, and the Issuer's seal shall be impressed or reproduced thereon and attested by the City Clerk, provided that either or both of the Executive's and City Clerk's signatures may be facsimiles, and the interest coupons attached thereto, in the case of coupon Project Bonds, shall bear the facsimile signatures of the Executive and the City Clerk. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds or coupons shall cease to be such officer before the issuance, authentication or delivery of such Bonds or coupons, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until that time.

All Bonds shall be negotiable instruments within the meaning of Uniform Commercial Code, as adopted

in the State, subject to applicable provisions for registration, and shall express on their faces the purpose for which they are issued and such other statements or legends as may be required by law.

If Bonds are duly called for redemption and if on such redemption date moneys for the redemption of all the Bonds to be redeemed, together with accrued interest to the redemption date, shall be held by the Trustee or Paying Agents so as to be available therefor, then from and after such redemption date such Bonds shall cease to bear interest and any coupons for interest thereon maturing subsequent to the redemption date shall be void.

Section 4. Security Pledged for Bonds. As provided herein, the Bonds shall be equally and ratably payable solely from the Pledged Receipts and secured by a pledge of and lien on moneys deposited in the Construction Fund and Bond Fund and a pledge and assignment of other moneys constituting Pledged Receipts, and further secured by the Indenture and by the pledge and assignment therein of the Note and of all right, title and interest of the Issuer in, to and under the Loan Agreement. The Bonds are further secured by the Mortgage and the Assignment. Anything in the Bond Legislation, the Bonds or the Indenture to the contrary notwithstanding, neither the Bond Legislation, the Bonds, nor the Indenture shall constitute a debt or a pledge of the faith and credit of the Issuer, the State of Indiana or of any political subdivision thereof and the holders or owners of the Bonds shall have no right to have taxes levied by the State or by any political subdivision of the State for the payment of the principal of, premium, if any, or interest on the Bonds, but such Bonds are payable solely from the Pledged Receipts and the Bonds shall contain on the face thereof a statement to that effect; provided, however, that nothing herein shall be deemed to prohibit the Issuer, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of the Indenture, the Bond Legislation or any of the Bonds.

Section 5. Sale of Project Bonds and Allocation of Purchase Price. The Executive and City Clerk are each hereby authorized and directed to offer for sale the Project Bonds to the Original Purchaser for purchase by the Original Purchaser at the price of 94% of the principal amount of the Project Bonds in accordance with the terms and provisions of this Bond Legislation and the Bond Purchase Agreement, and to make the necessary arrangements on behalf of the Issuer with the Original Purchaser to establish the date, location, procedure and conditions for the delivery of the Project Bonds to the Original Purchaser. The Executive and City Clerk further are hereby authorized and directed to take all steps necessary to effect due authentication, delivery and security of the Project Bonds under the terms of this Bond Legislation and the Indenture, and it is hereby determined that the aforesaid purchase price and the interest rate for the Project Bonds and the manner of sale, as provided in this Bond Legislation, are in the best interest of the Issuer and consistent with all

legal requirements. The City Clerk shall cause to be furnished to the Original Purchaser a true transcript of proceedings had with reference to the issuance of the Project Bonds, certified by the City Clerk, along with such information from the City Clerk's records as is necessary to determine the regularity and validity of the issuance of said Bonds.

At the time of issuance, delivery of and payment for the Project Bonds, the Bond Fund Payment, plus capitalized interest, if any, shall be deposited from the purchase price for the Project Bonds into the Bond Fund.

There is hereby created by the Issuer and ordered maintained as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee a trust fund to be designated "City of Fort Wayne - Health Care Fund Construction Fund" (herein called the "Construction Fund"). After deducting the Bond Fund Payment and capitalized interest, if any, as required by the preceding paragraph, the balance of the proceeds of the Project Bonds shall be deposited in the Construction Fund. Moneys in the Construction Fund shall be disbursed by the Trustee in accordance with the provisions of the Agreement, and the Trustee is hereby authorized and directed to issue its check for each disbursement required by the provisions of the Agreement. The Issuer covenants and agrees promptly to take whatever action, if any, is necessary in approving and ordering all such disbursements.

The moneys to the credit of the Construction Fund shall, pending application thereof as above set forth, be subject to a lien and charge in favor of the holders of the Project Bonds, but only to the extent of their interest therein.

Section 6. Source of Payment - Bond Fund.

As provided in the Agreement, Loan Payments sufficient in time and amount to pay the Bond service charges as they come due, are to be paid by the Company directly to the Trustee for the account of the Issuer and deposited in the Bond Fund. Under the provisions of the Agreement, payments with respect to the Note received by the Trustee shall be deposited into the Bond Fund for the account of the Issuer and shall constitute Loan Payments.

There is hereby created by the Issuer and ordered maintained, as a separate deposit account (except when invested as hereinafter provided) in the custody of the Trustee, a trust fund to be designated "City of Fort Wayne - Health Care Fund Revenue Bond Fund" (herein called the "Bond Fund"). The Bond Fund (and accounts therein provided for in the Indenture or in the Agreement) and the moneys and investments therein are hereby pledged to and shall be used solely and exclusively for the payment of Bond service charges as they fall due at stated maturity or by redemption or pursuant to any mandatory sinking fund requirements, all as provided herein and in the Indenture and the Agreement, provided that no part thereof (other than any amounts paid as and for any mandatory sinking fund requirements, and except as may otherwise be provided for

herein and in the Indenture or the Agreement) shall be used to redeem, prior to maturity, any Bonds.

Anything contained in the preceding paragraph to the contrary notwithstanding, moneys paid into the Bond Fund pursuant to the provisions of Section 2.10 of the Agreement relating to Project Bonds which were not outstanding on the date of a Determination of Taxability, but which were outstanding on the date of an Event of Taxability, shall be used solely for payment as follows: In the event any person who was a Bondholder at the time of an Event of Taxability shall present to the Trustee written proof satisfactory to the Trustee that he was a holder of such Project Bond at such time, but that such Project Bond matured or was redeemed prior to a Determination of Taxability, he shall be entitled to, and the Trustee shall pay to him from such moneys an amount equal to 1-1/2% of the principal amount of such Bond for each six-month period or part thereof elapsed between the date of the Event of Taxability and the date such Bond matured or was redeemed.

On or before each date when Bond service charges are due and payable, the Trustee shall transmit from moneys in the Bond Fund applicable thereto to any other Paying Agents, as appropriate, amounts sufficient to meet payments to be made by them of Bond service charges to be then due and payable; provided that to the extent that the amount needed by any other Paying Agent is not sufficiently predictable, the Trustee may make such credit arrangements with such Paying Agent so as to permit meeting such payments.

There shall be deposited into the Bond Fund (and credited, if required by the Indenture or the Agreement, to appropriate accounts therein), as and when received, (a) all Loan Payments and (b) all other Pledged Receipts, except those amounts required by the Indenture or the Agreement to be deposited in the Construction Fund or any other separate insurance or condemnation proceeds account.

As and for the mandatory sinking fund requirements for the retirement, by mandatory redemption pursuant to Section 3 hereof, of the Project Bonds, the aggregate of the Loan Payments specified in Section 2.1 of the Agreement which is to be deposited in the Bond Fund on or before each Loan Payment Date (as defined in the Agreement) shall include amounts sufficient to redeem (less the amount of any credit as provided in the next following paragraph) on each corresponding Mandatory Redemption Date the principal amount of Project Bonds set opposite the appropriate year as follows:

\$430,000 Term Bonds Maturing April 1, 1998

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>	<u>Stated Maturity</u>
1994	\$ 70,000	
1995	75,000	
1996	85,000	
1997	95,000	
1998		\$105,000

\$735,000 Term Bonds Maturing April 1, 2003

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>	<u>Stated Maturity</u>
1999	\$115,000	
2000	130,000	
2001	145,000	
2002	165,000	
2003		\$180,000

For the purpose of effecting said mandatory redemption the Trustee, on behalf of the Issuer and without necessity for further action by the Issuer or the Company, shall cause to be redeemed, in the manner provided in Section 3 hereof, on each Mandatory Redemption Date such aggregate principal amount of the Project Bonds as equals the mandatory sinking fund requirements as provided for above in this Section 6 for the applicable Mandatory Redemption Date. Project Bonds called for redemption pursuant to the mandatory sinking fund redemption provisions hereof shall be called by lot in such manner as may be determined by the Trustee.

At its option, to be exercised on or before the 45th day preceding any Mandatory Redemption Date, the Issuer, or the Company on behalf of the Issuer, may (a) deliver to the Trustee for cancellation Project Bonds in any aggregate principal amount, with, if coupon Bonds, all unmatured coupons attached, or (b) receive a credit against the current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the Issuer under the preceding paragraph for any Project Bonds which prior to such date have been redeemed (other than through the operation of the mandatory sinking fund requirements provided for in this Section) or purchased for cancellation and cancelled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund requirement (and corresponding mandatory redemption obligation) under said preceding paragraph. Each Project Bond so delivered or previously redeemed or purchased for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the respective mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the Issuer on such Mandatory Redemption Date, and any excess of such amount shall be credited against future mandatory sinking fund requirements (and corresponding mandatory redemption obligations) in chronological order. The Issuer, or the Company on behalf of the Issuer, will on or before the 45th day preceding each Mandatory Redemption Date furnish the Trustee with a certificate, signed by the Fiscal Officer, or by the Authorized Company Representative (as defined in the Agreement), stating the extent to which the provisions of (a) and (b) of the first sentence of this paragraph are to be availed of with respect to such mandatory sinking fund requirement (and corresponding mandatory redemption obligation) for such Mandatory Redemption Date; unless such certificate is so timely furnished to the Trustee, the Trustee shall not be required to reduce such requirement and obligation provided for in the preceding paragraph.

The Issuer hereby covenants and agrees that so long as any of the Bonds are outstanding, it will deposit, or cause to be deposited, in the Bond Fund Pledged Receipts sufficient in time and amount to pay the Bond service charges as the same become due and payable, and to this end the Issuer covenants and agrees that, so long as any Bonds are outstanding, it will diligently and promptly proceed in good faith and use its best efforts to enforce the Agreement, and that, should there be an event of default under the Agreement, the Issuer shall fully cooperate with the Trustee and with the Bondholders to protect fully the rights and security of the Bondholders hereunder. Nothing herein shall be construed as requiring the Issuer to use or apply to the payment of Bond service charges any funds or revenues from any source other than Pledged Receipts.

The Issuer covenants and agrees, whenever the moneys and investments in the Bond Fund (or otherwise held by the Trustee for such purpose) are sufficient in amount to redeem all of the Bonds then outstanding and to pay interest to accrue thereon to the date or dates of such redemption, to take and cause to be taken, at the direction of the Company, the necessary steps to redeem all of said Bonds on the next succeeding redemption date or dates for which the required notice of call for redemption may be given.

Section 7. Additional Bonds. At the request of the Company, if the Company is not then in default under the Agreement, the Issuer, to the extent permitted by law (including the Act) then in effect and the purposes consistent with the Act, shall use its best efforts to issue Additional Bonds from time to time to provide loans to the Company for: (i) the acquisition for the Project of additional real estate or interests therein, or repairs to the Project of a major nature arising from casualty or unanticipated conditions, or (ii) the acquisition, construction and installation of additional economic development facilities to be used in connection with the Project and to be located on the Project Site, or to be used in connection with other facilities located within the boundaries of the Issuer which are owned in whole or in part by the Company, or any combination thereof, or (iii) refunding the Project Bonds or any one or more series of Additional Bonds, or (iv) any combination of the foregoing; provided, that the proceeds of any Additional Bonds shall be used solely to pay permissible costs under the Act, and provided further that no Additional Bonds may be issued unless the Company shall first provide to the Trustee and the Original Purchaser a certificate by an independent certified public accountant to the effect that the gross income (defined as net income plus fixed charges) of the Company for a 12-month period ending on the calendar quarter immediately prior to the proposed date of issuance of such Additional Bonds and for the 12-month period ended as of the same calendar quarter of the preceding year was at least one and two-tenths (1.2) times the fixed charges of the Company for such period after adjusting the fixed charges of the Company as if such Additional Bonds had been outstanding in said two 12-month periods. Such Additional Bonds shall be

the Agreement and Note, whether or not the Issuer has pursued or attempted to enforce such rights and obligations.

(h) Maintenance of Agreement. The Issuer shall do all things and take all actions on its part necessary to comply with the obligations, duties and responsibilities on the part of the Issuer under the Agreement, and will take all actions within its authority to maintain the Agreement in effect in accordance with the terms thereof and to enforce and protect the rights of the Issuer thereunder, including actions at law and in equity, as may be appropriate.

(i) Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Project Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Project Bonds are delivered to the Original Purchaser, so that they will not constitute "arbitrage bonds" under Section 103(c) of the Code. The City Clerk or any other officer having responsibility with respect to the issuance of the Project Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Legislative Authority, or any officer of the Company, and upon receipt of satisfactory indemnities, to give an appropriate certificate on behalf of the Issuer, for inclusion in the transcript of proceedings for the Project Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 103(c), of the Code.

Section 9. Investment of Bond Fund and Construction Fund. Moneys in the Bond Fund and the Construction Fund shall be invested and reinvested by the Trustee in any Eligible Investments, in accordance with and subject to any orders of the Authorized Company Representative (as defined in the Agreement) with respect thereto, provided that investments of moneys in the Bond Fund shall mature or be redeemable at the option of the holder at the times and in the amounts necessary to provide moneys hereunder to pay Bond service charges as they fall due at stated maturity or by redemption or pursuant to any mandatory sinking fund requirements, and that each investment of moneys in the Construction Fund shall in any event mature or be redeemable at the option of the holder at such time as may be necessary to make timely payments from said Fund. In the absence of timely direction by the Authorized Company Representative, the Trustee is authorized to make such investments as it deems in the best interests of the Company. Subject to any such orders with respect thereto, the Trustee may from time to time sell such investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as aforesaid. Any such investments may be purchased from the Trustee. The Trustee shall sell or redeem investments standing to the credit of the Bond Fund to produce sufficient moneys hereunder at the times required for the purpose of paying Bond service charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any such order. An investment made from

moneys credited to the Bond Fund or the Construction Fund shall constitute part of that respective Fund and such respective Fund shall be credited with all proceeds of sale and income from such investment. For purposes of the Indenture and this Bond Legislation, such investments shall be valued at face amount or market value, whichever is less. The covenant contained in Section 4.5 of the Agreement shall apply to investments of moneys in the Bond Fund and Construction Fund.

Section 10. Indenture; Agreement and Assignment. In order better to secure the payment of the Bond service charges as the same shall become due and payable, the Executive and City Clerk are hereby authorized and directed to execute, acknowledge and deliver the Indenture, Agreement and Bond Purchase Agreement in substantially the forms submitted to the Issuer, and to endorse upon the Note the assignment thereof to the Trustee, which instruments are hereby approved, with such changes therein not inconsistent with this Bond Legislation and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officers executing the same. The approval of such changes by said officers, and their determination that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of the Indenture, the Agreement and the Bond Purchase Agreement, respectively, and by endorsement of the Note, by such officers.

This Bond Legislation shall constitute a part of the Indenture as therein provided and for all purposes of said Indenture, except that this Bond Legislation may not be amended, modified or supplemented except by action of the Legislative Authority.

Section 11. Other Documents. The Executive and City Clerk are hereby further authorized and directed to execute financing statements, other assignments and any other instruments as are, in the opinion of the bond counsel to the Issuer, necessary to perfect the pledges set forth in the Indenture and to consummate the transactions provided for in the Indenture and Agreement. The Executive and City Clerk are also authorized to execute on behalf of the Issuer an Official Statement with respect to the Project Bonds, if the Original Purchaser shall so request.

Section 12. Section 103 (b) (6) (D) Election. The Issuer hereby elects to have the provisions as to the limit in Section 103 (b) (6) (D) of the Code applied to the Bonds; and the Executive and the City Clerk of the Issuer be and they are hereby authorized, empowered and directed to take any and all further action which may be required to implement and effectuate such election, including without limitation the preparation and filing of such statement or statements or other document or documents as may be deemed by them to be necessary or advisable in order to comply with the procedure set forth in section 1.103-10(b)(2)(vi) of the Income Tax Regulations (26 CFR Part 1) under Section 103 of the Code.

Section 13. Designation of Trustee.

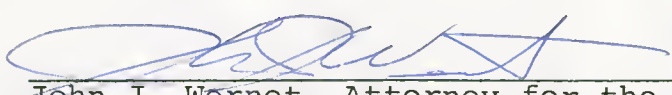
Anthony Wayne Bank, a banking corporation located in Fort Wayne, Indiana, is hereby designated Trustee under the Indenture. The Issuer hereby recognizes, agrees to and approves the deposit of the proceeds of the Bonds with the Trustee under the Indenture which amount shall be held and applied by said Trustee in accordance with the provisions of this Bond Legislation and the Indenture. The Executive and the City Clerk of the Issuer are hereby authorized to direct the Trustee to authenticate and deliver the Bonds.

Section 14. Compliance with Public Hearing and Approval Requirements. It is hereby found and determined that all formal actions of this Legislative Authority and Commission concerning and relating to the passage of this Bond Legislation were taken in a public session of this Legislative Authority, and that all deliberations of this Legislative Authority and of its committees, if any, that resulted in such formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Indiana Code Sec. 36-7-12-24 and Section 103 (k) of the Code.

Section 15. Effective Date. This Bond Legislation shall take effect and be in force immediately upon its adoption.


COUNCILMAN

APPROVED AS TO FORM AND
LEGALITY.


John J. Wernet, Attorney for the
Fort Wayne Economic Development Commission
Dated this 8th day of April, 1983.

Read the first time in full and on motion by Gia Quinta,
seconded by Talarico, and duly adopted, read the second time
by title and referred to the Committee Finance (and the City
Plan Commission for recommendation) and Public Hearing to be held after
due legal notice, at the Council Chambers, City-County Building, Fort Wayne,
Indiana, on _____, 19____, at _____ o'clock _____ M., E.S.T.

DATE: 4-12-83

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Read the third time in full and on motion by Gia Quinta,
seconded by Stier, and duly adopted, placed on its
passage. PASSED (~~LOST~~) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	<u>8</u>	_____	<u>1</u>	_____	_____
<u>BRADBURY</u>	<u>✓</u>	_____	_____	_____	_____
<u>BURNS</u>	<u>✓</u>	_____	_____	_____	_____
<u>EISBART</u>	_____	_____	<u>+</u>	_____	_____
<u>GiaQUINTA</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHMIDT</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHOMBURG</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCRUGGS</u>	<u>✓</u>	_____	_____	_____	_____
<u>STIER</u>	<u>✓</u>	_____	_____	_____	_____
<u>TALARICO</u>	<u>✓</u>	_____	_____	_____	_____

DATE: 6-14-83

Sandra E. Kennedy
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne,
Indiana, as (~~ZONING MAP~~) (~~GENERAL~~) (~~ANNEXATION~~) (~~SPECIAL~~)

(~~APPROPRIATION~~) ORDINANCE (RESOLUTION) NO. S-99-83
on the 14th day of June, 19 83.

ATTEST:

(SEAL)

Sandra E. Kennedy
CHARLES W. WESTERMAN - CITY CLERK

Ray A. Ebert
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on
the 15th day of June, 19 83, at the hour of
11:30 o'clock A.M., E.S.T.

Sandra E. Kennedy
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this 16th day of June
19 83, at the hour of 2 o'clock P.M., E.S.T.

Win Moses, Jr.
WIN MOSES, JR. - MAYOR

BILL NO. S-83-04-20 (as amended)

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS REFERRED AN
ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,420,000 ECONOMIC DEVELOPMENT REVENUE
BONDS OF THE CITY OF FORT WAYNE, INDIANA, IN ORDER TO ASSIST HEALTH CARE FUND IN
THE FINANCING OF COSTS OF AN ECONOMIC DEVELOPMENT FACILITY; AUTHORIZING THE
ISSUANCE OF ADDITIONAL BONDS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT
OF SAID BONDS; AUTHORIZING A LOAN AGREEMENT WITH RESPECT TO THE PROCEEDS DERIVED
FROM THE SALE OF SAID BONDS; AUTHORIZING A TRUST INDENTURE APPROPRIATE FOR THE
PROTECTION AND DISPOSITION OF SUCH REVENUES AND FURTHER TO SECURE THE PAYMENT OF
SAID BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT WITH THE ORIGINAL PURCHASER;
AND AUTHORIZING THE ASSIGNMENT BY THE CITY OF A NOTE AND LOAN AGREEMENT

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT
BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE DO PASS.

MARK E. GIAQUINTA, CHAIRMAN

Mark E. Giaquinta

JAMES S. STIER, VICE CHAIRMAN

James S. Stier

JANET G. BRADBURY

Janet G. Bradbury

SAMUEL J. TALARICO

Samuel J. Talarico

DONALD J. SCHMIDT

Donald J. Schmidt

Concluded in 6-14-83 Sandra E. Kennedy

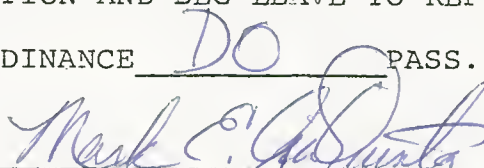
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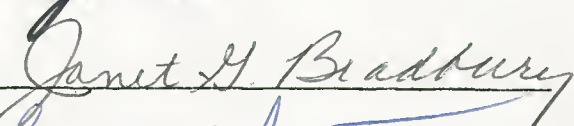
MARK E. GIAQUINTA, CHAIRMAN



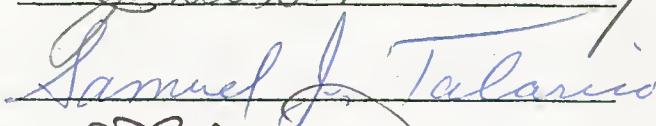
JAMES S. STIER, VICE CHAIRMAN



JANET G. BRADBURY



SAMUEL J. TALARICO



DONALD J. SCHMIDT



DIGEST SHEET

(As amended)
J-83-04-20

TITLE OF ORDINANCE Special

DEPARTMENT REQUESTING ORDINANCE Economic Development Commission

SYNOPSIS OF ORDINANCE An Ordinance authorizing the issuance of

\$1,420,000 Economic Development Revenue Bonds of the City of

Fort Wayne, Indiana (Health Care Fund Project) and approval of

final financing documents. An Inducement Resolution for this

Project was previously adopted by City Council.

EFFECT OF PASSAGE Permanent financing of the facilities.

EFFECT OF NON-PASSAGE None of the above.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) None.

ASSIGNED TO COMMITTEE (PRESIDENT) _____

Health Care Fund

A N N U A L R E P O R T 1 9 8 2





Those of us in the interest rate sensitive sector of the economy found the last half of 1982 considerably more hospitable than the first. Long-term debt markets became almost recognizable again. As a result, 1982 was another banner year for Health Care Fund. Net income was \$3,679,000 or \$2.24 per share, up from \$2,975,000 or \$2.21 per share in 1981. Distributions per share paid by the Fund in 1982 increased to \$1.72 from \$1.66 in 1981 and \$1.57 in 1980. A glance at our financial highlights on the preceding page, and a few calculations, will reveal the following growth rates from 1978 to 1982:

Gross revenues	214%
Net income	199%
Total assets	151%
Shareholders' equity	154%
Earnings per share	29%
Dividends per share	46%

The average return on equity for this period was 18.2%. Moreover, the yield to shareholders has averaged 13.1% during this five year period.

Growth

A major growth factor is the price of the stock itself. To maintain a conservative debt to equity balance, stock has been issued to the public every year since inception, save for 1975 and 1982. These periodic equity injections have a marginal cost, being the current dividend rate divided by the net proceeds raised from the stock issue. In 1981, for example, while \$1.66 per share was being paid out as dividends, a stock offering raised \$9.95 per share after commissions, thus costing us 16.7%. With dividends now at the annual rate of \$1.76 per share, a \$15 per share public offering would cost approximately 12.7%, after commissions. Consequently a higher stock sale price produces a lower equity cost, thereby increasing earnings available for dividends.

Cash Flow

During the budgeting process early last year, we learned that funds generated from operations would begin to fall by year end. To counteract this situation the Fund began to explore other methods of financing. Two investment properties which did not promise positive cash flows were sold to a tax shelter partnership with the Fund receiving a fee on this transaction. In addition, standby purchase commitments were issued in connection with one new nursing home construction project and the transfer of another nursing home to new owners. Fees were earned on these, also. Financial services for syndications and purchase commitments could play larger roles in the future.

Planning

Our long-range plan places continuing emphasis on the financing of nursing homes, with increasing consideration of investments in alcoholic treatment centers and retirement units. During 1982, a construction loan was extended to develop an alcoholic treatment center, which is scheduled to be acquired during 1983. The Fund also invested in a retirement center. Retirement centers supply personal services, meals, and companionship for the elderly, who are not yet in need of nursing care. We believe there is wide demand for such centers on a monthly rental basis in various population centers of the country. The Trustees have also decided to broaden the Fund's financing relationships to include a wider group of qualified developers with knowledge of health care and related types of projects.

Legislative Developments

A great deal has been written about containing the costs of health care delivery in the United States, and we may soon see changes in the reimbursement systems for welfare patients. Reimbursement rates are cut by various states from time to time as part of budget balancing cycles, but built-in cost index factors and rate increases during prosperous times have enabled overall rates to keep pace with inflation. Our facilities are geographically dispersed throughout several states, thereby reducing the risk of the reimbursement policies of any one state having an adverse impact on the Fund. Management will make every effort to respond effectively to changes as they occur.

With the inevitable aging of the population, health care facilities should continue to provide stable and rewarding investments. As the mortgage market continues to moderate and the economy moves into an upturn, we are confident of continued growth and a successful new year.

Sincerely,
HEALTH CARE FUND

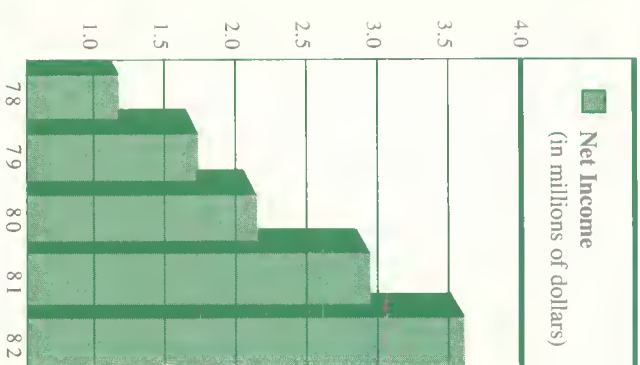
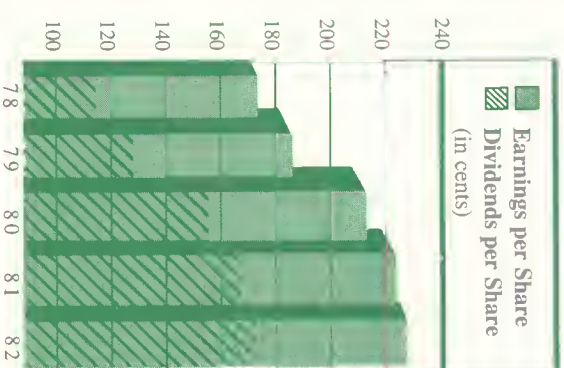
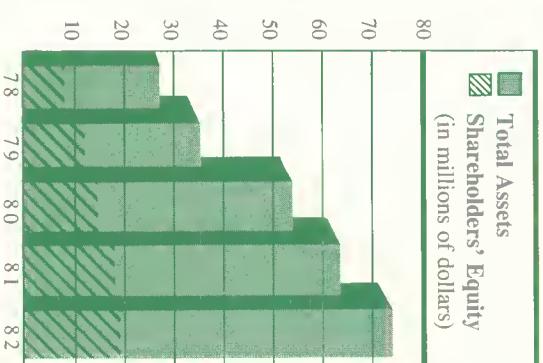
Bruce G. Thompson
Chairman and President

March 21, 1983

Financial Highlights

	1982	1981	1980	1979	1978
Gross Revenue	\$10,004	\$ 8,527	\$ 6,245	\$ 4,373	\$ 3,184
Net Income	3,679	2,975	2,125	1,703	1,230
Net Income Per Share	2.24	2.21	2.17	1.85	1.74
Cash Distributions to Shareholders	2,819	2,284	1,466	1,196	818
Distributions Per Share	1.72	1.66	1.57	1.28	1.18
Average Number of Shares Outstanding	1,639	1,345	980	920	707
Mortgage Notes Payable and Similar Debt	50,720	42,784	38,322	24,492	19,337
Shareholders' Equity	19,700	18,840	14,694	10,384	7,749
Net Investment in Direct Financing Leases	58,839	51,624	45,246	29,899	21,333
Total Assets	74,224	63,326	54,601	36,477	29,617

In thousands, except per share data.



NASDAQ Trading Symbol:
HCFDS

Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

Lease payments and loan interest payments are the primary sources of funds from operations. Funds from operations are primarily used to make dividend and debt service payments. Short-term lines and equity capital are used to fund construction loans receivable on nursing home projects. As investments in direct financing leases continue to grow, debt payments to service long-term debt on related properties also continue to grow. Higher interest rates and shorter maturities on previous issues have caused debt service payments to grow at a faster pace. As a result dividends and debt service payments have not been fully met out of funds from operations.

The Fund has taken several measures to increase funds from operations. Standby purchase commitments were entered into on a nursing home construction project and the transfer of an existing nursing home to new owners. Fees received on these two commitments were \$110,000. Also, a finance fee of \$100,000 was received when two investment properties with negative cash flows were sold to a tax shelter partnership.

During the latter half of 1982, as interest rates began to fall, four out of sixteen eligible lessees exercised their options to purchase. Net proceeds from these exercises and the sale to the tax shelter partnership were \$1,646,063. These funds were applied to reduce short-term lines of credit.

When the remaining funds from operations, short-term lines of credit, and exercise of options are insufficient to take advantage of opportunities to purchase new lease investments, the Fund issues Shares of Beneficial Interest to raise capital. During the last eleven years the Fund has completed offerings of shares to the public in every year except 1975 and 1982. The Fund issued shares in 1981 and 1980, which generated net proceeds of \$3,455,120 and \$3,650,704, respectively. The proceeds from the offerings were used to acquire lease investments, fund construction loans, and reduce liabilities. Regular stock issues enable the Fund to maintain a favorable liquidity position and acquire direct financing lease investments.

The equity resources of the Fund have been leveraged with long-term mortgage notes, bonds, and debentures issued to provide permanent financing for the lease investments. Additional borrowings on long-term debt totalled \$14,129,470, \$5,460,000, and \$14,550,000 in 1982, 1981, and 1980, respectively.

The Fund's ability to attract equity capital has been due in part to high cash dividends consistently paid over the last twelve years. Dividends paid have averaged 14.3% of market value during the last three years. The Fund classified \$.404 per share of its 1982 dividend as a capital gain to the shareholders due to the option exercises of investment properties. In 1981, \$.0933 per share of the dividend was a

return of capital to the shareholders, due to dividends being paid at a level exceeding net income as calculated for federal income tax purposes.

Results of Operations

The Fund concentrates on two types of financing activities for the health care industry: short-term construction loans and long-term leases. Both types of financing have been directed at nursing homes and related health care facilities. Recently the Fund has given consideration to related types of medical properties such as alcoholic treatment centers, homes for the mentally retarded and congregate or independent living facilities for retired citizens. However, the bulk of the Fund's revenue for the next few years is expected to continue to result from the financing of nursing homes offering long-term care to the elderly and infirm.

Net income increased \$704,410 (23.7%) in 1982 and \$849,533 (40.0%) in 1981. The 16.3% decline in growth in net income resulted from a decrease in construction lending during the first half of 1982, accompanied by lower earnings from reduced interest rates on construction loans from the fourth quarter of 1982.

Income earned on direct financing leases accounted for 85.7%, 78.3%, and 74.4% of total revenue for 1982, 1981 and 1980, respectively. This reflects the related increase in investment in leases during the three year period. At December 31, 1982, the net investment in direct financing leases was \$58,838,936 compared to \$51,623,930 and \$45,245,586 in 1981 and 1980, respectively.

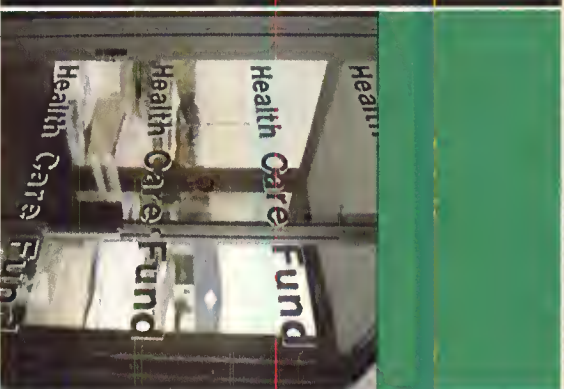
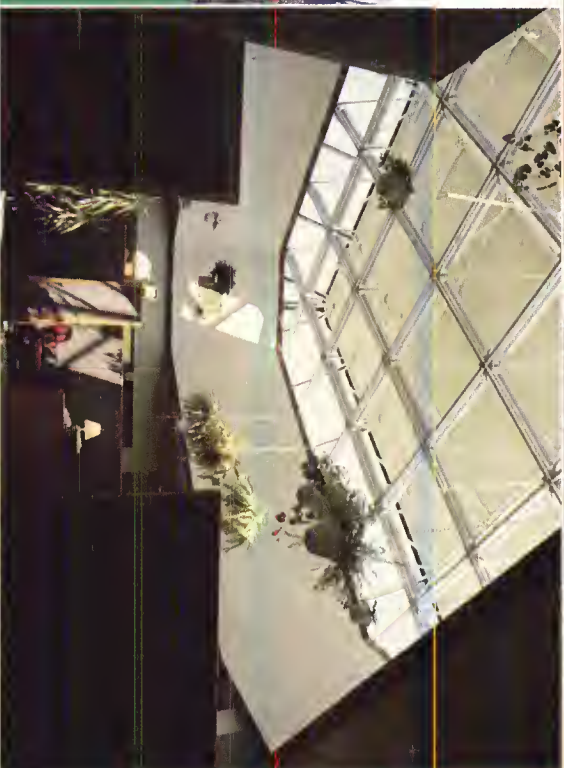
As explained above, substantial increases in lease investments are usually accompanied by similar increases in long-term debt. Related interest expense increased from \$3,083,400 in 1980 to \$5,063,876 in 1982 (64.2%). Thus, the substantial increases in income from lease financing have been significantly offset by increased borrowing costs.

Impact of Inflation

During the past three years the impact of inflation has had both positive and negative effects on the Fund. As interest rates rose due to continued inflation, the volume of construction loans declined. As a result interest income decreased. Rates on new leases were increased to cover higher borrowing costs. This caused lease income to increase.

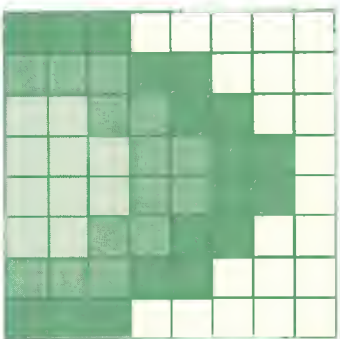
Due to the recent moderation in the inflation rate, financing at lower interest rates has again become available. The Fund closed a number of bond issues during the fourth quarter of 1982. As a result, overall construction lending activities are beginning to increase. Maturities of long-term debt are lengthening, so that debt service payments will grow at a slower pace and therefore, increase the net sources of funds from operations.

The headquarters of Health Care Fund at Lima, Ohio reflects the financial resources now being mobilized for health care in America.



	December 31	
	1982	1981
Assets		
Cash	\$ 678,740	\$ 232,037
Construction loans receivable from related party – Note B	6,407,089	7,123,444
Mortgage loans receivable	144,007	251,423
Construction funds held in escrow	4,991,536	2,067,097
Bond retirement funds held in escrow	647,166	226,722
Net investment in direct financing leases – Note C	58,838,986	51,623,930
Deferred loan expense	2,273,876	1,583,101
Other receivables and prepaid items	242,783	218,592
	<u>\$74,224,183</u>	<u>\$63,326,346</u>
Liabilities and Shareholders' Equity		
Liabilities:		
Mortgage notes payable and similar debt – Note D	\$50,719,898	\$42,784,261
Short-term notes payable to banks – Note E	2,220,000	737,750
Accrued expenses and other liabilities	<u>1,584,512</u>	<u>964,668</u>
Total Liabilities	54,524,410	44,486,679
Shareholders' Equity:		
Shares of Beneficial Interest, \$1.00 par value:		
Authorized – unlimited		
Issued and outstanding – 1,639,058 shares	1,639,058	1,639,058
Capital in excess of par value	14,204,832	14,204,832
Undistributed net income – Note F	<u>3,855,883</u>	<u>2,995,777</u>
	19,699,773	18,839,667
Commitments and contingencies – Notes B and I		
	<u>\$74,224,183</u>	<u>\$63,326,346</u>

See notes to financial statements



The Health Care Fund currently finances 60 properties in its construction loan and leasing portfolios. The elderly, the mentally handicapped, alcoholics and others not able to live independently are cared for by health professionals in warm, humanizing environments. Once established, facilities typically operate at 90 to 95 percent capacity. Since the Fund qualifies as a real estate investment trust, investors avoid double taxation of their income streams. With the nation's demographics shifting upward in age, Health Care Fund should continue to provide an attractive – and expanding – investment opportunity, while at the same time fulfilling an increasingly vital community need: dignified, qualified residential health care.

Properties represented in the Health Care Fund's investment and loan portfolio –

FLORIDA
Port Charlotte
INDIANA
Columbus
Ft. Wayne
Lebanon
Lyons
Newton County
Parker
MISSOURI
Anderson
Butler

Fulton
Jefferson City (2)
Milan
Oregon
Platte City
St. Joseph
Sweet Springs
OHIO
Bryan
Canal Winchester
Chillicothe
Columbus
Convoy
Defiance
Eaton
Fremont
Gahanna

Greenville
Ironton
Kent
Kenton
Lakeview
Lancaster
Lima
Logan
Medina
Miamisburg
Milford
Ottawa
Salem
Sandusky
Tiffin
Union City
Wadsworth

Waterville
Willard
Zanesville (2)
PENNSYLVANIA
Conneautville
WEST VIRGINIA
Ansted
Braxton County
Buchannon
Dunbar
Ft. Ashby
Glenville
Hilltop
Jane Lew
Moundsville
Parkersburg (3)



	Year Ended December 31		
	1982	1981	1980
Income – Notes G and H:			
Direct financing leases	\$ 8,576,358	\$6,678,489	\$4,646,836
Interest and loan fees	<u>1,427,288</u>	<u>1,848,753</u>	<u>1,597,918</u>
	10,003,646	8,527,242	6,244,754
Expenses:			
Interest:			
Mortgages and similar debt	5,063,876	4,083,006	3,083,400
Short-term borrowings	236,651	428,469	343,271
Management fees – Note H	408,810	333,303	240,091
Provision for doubtful amounts	63,783	153,462	85,661
Loan expense	308,285	377,929	245,824
Other operating expenses	<u>242,955</u>	<u>176,197</u>	<u>121,164</u>
	6,324,360	5,552,366	4,119,411
Net Income	<u>\$ 3,679,286</u>	<u>\$2,974,876</u>	<u>\$2,125,343</u>
Average number of shares outstanding	1,639,058	1,345,332	979,923
Net income per share	\$2.24	\$2.21	\$2.17

See notes to financial statements

Statements of Shareholders' Equity

	Shares of Beneficial Interest	Capital in Excess of Par Value	Undistributed Net Income	Total
Balances at January 1, 1980	\$ 934,058	\$ 7,804,008	\$1,646,215	\$10,384,281
Proceeds from sale of 350,000 shares	350,000	3,377,500		3,727,500
Expenses relating to issuance of shares		(76,796)		(76,796)
Net income for the year ended December 31, 1980			2,125,343	2,125,343
Cash dividends paid – \$1.57 a share – Note F			(1,466,471)	(1,466,471)
Balances at December 31, 1980	1,284,058	11,104,712	2,305,087	14,693,857
Proceeds from sale of 355,000 shares	355,000	3,177,250		3,532,250
Expenses relating to issuance of shares		(77,130)		(77,130)
Net income for the year ended December 31, 1981			2,974,876	2,974,876
Cash dividends paid – \$1.66 a share – Note F			(2,284,186)	(2,284,186)
Balances at December 31, 1981	1,639,058	14,204,832	2,995,777	18,839,667
Net income for the year ended December 31, 1982			3,679,286	3,679,286
Cash dividends paid – \$1.72 a share – Note F			(2,819,180)	(2,819,180)
Balances at December 31, 1982	\$1,639,058	\$14,204,832	\$3,855,883	\$19,699,773

() Denotes deduction

See notes to financial statements

Note A – Accounting Policies and Related Matters

Leases: Properties owned by the Fund are leased. The leases are accounted for by the direct financing method. The leases provide for payment of all taxes, insurance, and maintenance by the lessees. The leases are for a term of 20 years and most lessees have an option to purchase the properties after a period of five years. Option prices equal or exceed the Fund's original cost of the property. Income from direct financing leases is recorded based upon the implicit rate of interest over the lease term. This income is greater than the amount of cash received during the first half of the lease term. An allowance has been provided, in addition to the allowance for doubtful amounts, to reduce the net investment in direct financing leases to an amount not in excess of the respective option prices.

Allowance for Doubtful Amounts: An allowance for doubtful amounts has been established to provide for lease payments which may become uncollectible.

Deferred Loan Expenses: Deferred loan expenses are costs incurred in acquiring financing for properties. The Fund amortizes these costs by the straight-line method over the term of the debt or such shorter period as is necessary to preclude a net loss in the event that the lessee exercises its option to purchase the related property.

Income Tax: No provision has been made for federal income taxes since the Fund has elected to be treated as a real estate investment trust under the applicable provisions of the Internal Revenue Code, and the Fund believes that it has met the requirements for qualification as such for each taxable year. See Note F.

Net Income Per Share: Net income per share has been computed by dividing net income by the weighted daily average number of shares outstanding.

Note B – Construction Loans Receivable

The Fund makes short-term construction loans to a related party as medical facilities are being developed. If the Fund has not arranged permanent long-term financing, interest is charged at a rate 2% over the New York prime rate but not less than 1/4% over the Fund's cost of borrowing after adjustment for compensating balances. If the Fund has arranged permanent long-term financing, interest is charged at a rate 3/4% over the Fund's cost of such permanent financing. In addition to the interest described, the Fund receives loan fees (points) of 2% per annum of the principal amount of the loans. Loan fees are recognized in income over the respective periods that the construction loans are outstanding.

Information relating to construction loans receivable is summarized below:

	Year Ended December 31	
	1982	1981
Balances at beginning of year	\$ 7,123,444	\$ 3,943,685
Additional loans	7,989,071	8,803,055
Principal payments (deductions)	(8,705,426)	(5,623,296)
Balances at end of year	<u>\$ 6,407,089</u>	<u>\$ 7,123,444</u>
	December 31	
	1982	1981

Total construction loan commitments:

Dollars (including amounts advanced at December 31)	\$15,575,275	\$10,911,900
Facilities	11	10
Construction loan commitments for which permanent financing has been arranged:		
Dollars	\$ 9,605,025	\$ 8,640,050
Facilities	7	7

Statements of Changes in Financial Position

	Year Ended December 31		
	1982	1981	1980
Sources of funds:			
Net income	\$3,679,286	\$ 2,974,876	\$ 2,125,343
Items not requiring (providing) funds:			
Amortization of loan fees	308,285	377,929	245,824
Provision for losses	195,686	350,243	272,631
Commitment fees received in excess of amount earned	308,207	(235,332)	(218,830)
Lease income in excess of cash received	(345,497)		
Funds Provided by Operations	4,145,967	3,467,716	2,424,968
Principal payments on mortgages and similar debt	1,364,057	997,666	720,516
Cash distributions to shareholders	2,781,910	2,470,050	1,704,452
	2,819,180	2,284,186	1,466,471
Funds Provided from Operations, Less Principal Payments on Debt and Cash Distributions	(37,270)	185,864	237,981
Other sources of funds:			
Decrease in construction loans receivable – net	716,355		1,010,140
Decrease in mortgage loans receivable – net	107,416	1,229,208	156,827
Decrease in funds held in escrow			81,338
Decrease in other receivables and prepaid items		3,532,250	3,727,500
Proceeds from sale of shares		5,460,000	14,550,000
Mortgage and similar debt borrowings	14,129,470		
Increase in short-term borrowings – net	1,482,250		
Increase in accrued expenses and other liabilities	311,636	279,063	310,412
Proceeds from disposal of properties, less related debt	1,646,063		
Total Other Sources of Funds	18,393,190	10,500,521	19,836,217
	18,355,920	10,686,385	20,074,198
Other dispositions of funds:			
Increase in funds held in escrow	3,344,883		3,177,283
Investment in direct financing leases	13,541,084	6,493,255	15,399,969
Loan expense	999,059	512,418	1,072,826
Increase in other receivables and prepaid items	24,191	193,974	
Increase in construction loans receivable – net		3,179,759	
Increase in mortgage loans receivable – net		53,422	
Decrease in short-term borrowings – net		162,250	325,000
Expenses relating to sale of shares		77,130	76,796
Total Other Dispositions of Funds	17,909,217	10,672,208	20,051,874
Increase in cash	446,703	14,177	22,324
Cash balances at beginning of year	232,037	217,860	195,536
Cash Balances at End of Year	\$ 678,740	\$ 232,037	\$ 217,860

() Denotes deduction
See notes to financial statements

Note D – Mortgage Notes Payable and Similar Debt, continued.

At December 31, 1982, the annual payments on mortgage notes payable and similar debt for the succeeding five years are as follows:

Year Ending December 31	Principal	Interest	Total
1983	\$1,362,451	\$5,599,733	\$6,962,184
1984	1,514,445	5,459,296	6,973,741
1985	2,432,777	5,300,424	7,733,201
1986	1,651,346	5,048,154	6,699,500
1987	2,571,540	4,830,517	7,402,057

A summary of the activity relating to mortgage notes payable and similar debt is as follows:

	Year Ended December 31 1982	1981
Balances at beginning of year	\$42,784,261	\$38,321,927
Additional borrowings	14,129,470	5,460,000
Principal reductions (deduction)	(1,364,057)	(997,666)
Principal balances on properties disposed of (deduction)	(4,829,776)	
Balances at end of year	\$50,719,898	\$42,784,261

Note E – Short-Term Notes Payable

The notes payable to banks are borrowings under line of credit agreements with two banks aggregating \$5,500,000. The average interest rate on these borrowings was 11.5% at December 31, 1982 (16.25% at December 31, 1981).

The following information relates to aggregate short-term debt:

	Year Ended December 31 1982	1981
Maximum amount outstanding at any month-end	\$3,496,500	\$4,165,000
Average amount outstanding (total of daily principal balances divided by days in year)	1,698,578	2,365,920
Weighted average interest rate (actual interest expense on short-term debt divided by average short-term debt outstanding)	13.8%	17.8%

In connection with these credit lines, the Fund maintains average compensating balances based upon bank ledger balances adjusted for uncollected funds equal to 10% of the line of credit. The Fund maintains compensating balances in demand deposit accounts which also serve as minimum operating cash balances and as compensation to banks for their account handling functions and other services. The demand deposit accounts are not restricted as to withdrawal. Based upon outstanding borrowings for the years ended December 31, 1982, the Fund should have maintained average compensating balances of approximately \$550,000 (\$317,000 during 1981), which stated in terms of the Fund's book cash balances is approximately \$409,000 (\$237,000 during 1981). The difference is attributable to average uncollected funds and float. During 1982, the Fund maintained average book cash balances of approximately \$421,000 (\$273,000 during 1981).

Note F – Undistributed Net Income

The Fund reports its income for federal income-tax purposes using the operating method of accounting for leases. In order to continue to qualify as a real estate investment trust for federal income-tax purposes, 95% of such net income must be distributed to shareholders. Undistributed net income for federal income-tax purposes amounted to \$54,577 at December 31, 1982. The principal reason for the difference between undistributed net income for federal income-tax purposes and financial-statement purposes is the use of different methods of accounting for leases. Cash dividends paid to shareholders, for federal income tax purposes, are as follows:

	Year Ended December 31 1982	1981	1980
Per share:			
Ordinary income	\$1.32	\$1.57	\$1.57
Capital gains	.40		
Return of capital (non-taxable to shareholders)		.09	
Totals	\$1.72	\$1.66	\$1.57

Note G – Industry and Sources of Income

The Fund is predominantly engaged in the leasing and financing of medical properties in domestic markets. Income of an amount greater than ten percent of total income was derived from one borrower. The borrower, a related party, provided \$1,103,061, \$1,402,827, and \$1,321,527 of interest and loan fee income in 1982, 1981, and 1980, respectively.

Note C – Investment in Direct Financing Leases

The following are the components of the net investment in direct financing leases.

	December 31	1981
1982		
Total minimum lease payments receivable – (1)	\$165,832,959	\$142,574,937
Estimated unguaranteed residual values of leased properties	24,093,825	20,782,311
Unearned income	(129,691,387)	(110,459,551)
Allowance to reduce certain leases to option prices	(880,172)	(821,311)
Allowance for doubtful amounts	(516,239)	(452,456)
Net investment in direct financing leases	<u>\$ 59,839,986</u>	<u>\$ 51,623,930</u>

(1) The leases contain an option to purchase the leased property. Total minimum lease payments are computed assuming that the option will not be exercised before the end of the lease term.

At December 31, 1982, future minimum lease payments receivable under direct financing leases for the succeeding five years are as follows:

1983	\$8,549,921
1984	8,717,175
1985	8,884,429
1986	9,051,593
1987	9,218,935

A summary of the activity relating to net investment in direct financing leases is as follows:

	Year Ended December 31	1981
1982		
Balances at beginning of year	\$51,623,930	\$45,245,586
Property interests acquired and accounted for by the direct financing method	13,541,084	6,493,255
Disposal of leased properties	(6,475,839)	
Lease income in excess of cash received	345,497	235,332
Provision for losses	(195,686)	(350,243)
Balances at end of year	<u>\$58,838,986</u>	<u>\$51,623,930</u>

() Denotes deduction

Note D – Mortgage Notes Payable and Similar Debt

Substantially all properties owned and leased by the Fund are mortgaged or otherwise encumbered. The following information relates to mortgage notes payable and similar debt:

	December 31	1981
1982		
Mortgage loans, collateralized by health care facilities – 25 in 1982 and 29 in 1981, interest rates from 9¼% to 10¾% in 1982 and from 9¼% to 11½% in 1981, maturing at various dates to 2002	\$13,685,001	\$16,387,169
Notes payable related to industrial revenue bonds, collateralized by health care facilities – 25 in 1982 and 18 in 1981, interest rates from 8% to 17% in 1982, from 8% to 15% in 1981, maturing at various dates to 2002	31,288,802	20,331,890
Debentures, general obligations of the Fund, interest rates from 11% to 12¾%, maturing at various dates to 1987	2,229,000	2,401,000
Lease obligations under industrial revenue bonds, collateralized by 4 health care facilities, with interest rates from 5¾% to 9½%, maturing at various dates to 2000	3,517,095	3,664,202
Totals	<u>\$50,719,898</u>	<u>\$42,784,261</u>

The Fund's shares are traded over the counter under the symbol HCFDS. There were 2,161 shareholders of record as of December 31, 1982. In addition to dividends per share, the following table lists the bid prices of the Fund's shares as reported by NASDAQ. These quotations represent prices between dealers without adjustment for retail markup, markdown or commission and do not necessarily represent actual transactions.

	1982				1981			
	Bid Price		Dividend		Bid Price		Dividend	
	High	Low	High	Low	High	Low	High	Low
1st Quarter	\$12.00	\$10.75	.43		\$12.25	\$11.00	.40	
2nd Quarter	11.75	10.75	.43		12.50	11.25	.40	
3rd Quarter	12.25	10.50	.43		13.00	10.75	.43	
4th Quarter	13.50	12.00	.43		11.75	10.50	.43	

Quarterly Earnings Summary

The following is a summary of selected unaudited quarterly results of operations:

	Year Ended December 31, 1982			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	\$2,300,545	\$2,424,730	\$2,548,858	\$2,729,513
Net Income	960,186	836,107	900,370	982,623
Net Income Per Share	\$.59	\$.51	\$.55	\$.59

	Year Ended December 31, 1981			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	\$1,957,677	\$2,127,253	\$2,184,307	\$2,258,005
Net Income	712,206	752,416	704,640	805,614
Net Income Per Share	\$.55	\$.59	\$.55	\$.52

Note H – Management Agreement and Transactions with Related Parties

The Fund has entered into a Management Agreement with First Toledo Corporation (the "Manager"). F.D. Wolfe and B.G. Thompson, two of the Fund's eight trustees, are officers and co-owners of the Manager. The Fund accrues a fee to the Manager at a monthly rate of $\frac{1}{10}$ of 1% of the Fund's net assets, as defined in the Management Agreement. Further, the Manager is entitled to an annual incentive fee equal to 10% of the amount by which net profits exceed 10% of the monthly average net worth of the Fund. Incentive fees of \$193,883, \$153,101, and \$113,265 were accrued in 1982, 1981, and 1980, respectively.

In addition, Messrs. Wolfe and Thompson are related to various companies: a) from which the Fund has purchased medical properties totaling \$13,541,084, \$6,493,255, and \$15,399,696 in 1982, 1981, and 1980, respectively, and has accounted for such purchases under the direct financing lease method (see Note C); b) to which the Fund has made construction loans yielding interest and loan fee income (see Notes B and G); and c) to which the Fund has leased medical properties providing \$617,631, \$100,197, and \$100,328 of direct financing lease income in 1982, 1981, and 1980, respectively. In accordance with the Declaration of Trust under which the Fund was created, such transactions were approved by a majority of independent trustees.

Report of Independent Auditors

Shareholders and Trustees
Health Care Fund
Lima, Ohio

We have examined the balance sheets of Health Care Fund as of December 31, 1982 and 1981, and the related statements of income, shareholders' equity, and changes in financial position for each of the three years in the period ended December 31, 1982. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Note I – Contingencies

During 1982, the Fund entered into standby commitments to purchase two nursing homes, at fair market value, at the option of the underwriter of industrial revenue bond issues, the proceeds of which were used for constructing and equipping the homes. The commitment periods extend to the approximate maturity date of the debt.

Also during 1982, the Fund sold two nursing homes and the purchaser assumed debt obligations related to the homes. The Fund remains contingently liable for these obligations (\$2,580,000 at December 31, 1982) and for the purchaser's note to the Fund (\$720,000 at December 31, 1982) which has been sold.

The Fund received fees in conjunction with its commitments referred to in the two preceding paragraphs and is recognizing the fees in income over the approximate periods of the respective commitments. Management is of the opinion that no loss will be incurred by the Fund as a result of above commitments or contingencies.

In our opinion, the financial statements referred to above present fairly the financial position of Health Care Fund at December 31, 1982 and 1981, and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1982, in conformity with generally accepted accounting principles applied on a consistent basis.

Toledo, Ohio
March 9, 1983

Ernst & Whinney

Trustees

Bruce G. Thompson

Chairman of the Board
President
Health Care Fund
Lima, Ohio

Frederic D. Wolfe

President
Wolfe Industries, Inc.
Lima, Ohio

Gregory G. Alexander

Partner
Shumaker, Loop and Kendrick
Toledo, Ohio

Russell R. Berman

President
Ohio Citizens Bank
Toledo, Ohio

Bruce Douglas

President
The Douglas Company
Toledo, Ohio

L. Eugene Duff

President
Duff Truck Line, Inc.
Lima, Ohio

Richard A. Glowacki

President
The Danberry Company
Toledo, Ohio

Richard A. Unverferth

President
Unverferth Manufacturing
Company, Inc.
Kalida, Ohio

Officers

Bruce G. Thompson

President and Chief
Executive Officer

Frederic D. Wolfe

Secretary and Chief
Financial Officer

Committees of the Board

Audit

Gregory G. Alexander
Russell R. Berman
Richard C. Glowacki

Executive

L. Eugene Duff
Bruce G. Thompson
Richard A. Unverferth
Frederic D. Wolfe

Nominating

Bruce Douglas
L. Eugene Duff
Richard A. Unverferth

Planning

All Trustees

Independent Auditors

Ernst & Whinney
1900 Toledo Trust Building
Toledo, Ohio 43604

General Offices

Health Care Fund
1865 North McCullough Street
Lima, Ohio 45801

Investment Advisor

First Toledo Corporation
P.O. Drawer C
Lima, Ohio 45802

Legal Counsel

**Shumaker, Loop
and Kendrick**
North Courthouse Square
1000 Jackson Street
Toledo, Ohio 43624

Transfer Agent


Ohio Citizens Bank
One Levis Square
Toledo, Ohio 43613

NASDAQ Trading Symbol:

HCFDS

1865 McCullough Street,
P.O. Drawer C,
Lima, Ohio 45802
(419) 227-3760

Member of the

 National Association
of Real Estate

 Investment Trusts, Inc.

Trustees

The Fund's Board of Trustees is composed of entrepreneurs and real estate professionals, each successful in his own right. The credentials of each Health Care Fund Trustee are indicated below. Trustees are elected annually by the shareholders. Meetings of the full board are held quarterly. Special meetings of various committees are held regularly.



Bruce G. Thompson

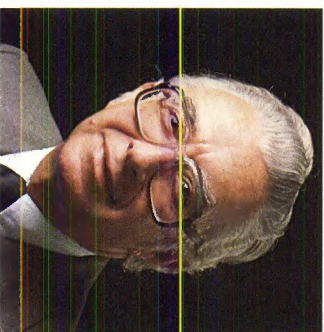


Bruce Douglas

Bruce G. Thompson
Chairman of the Board and President, Health Care Fund Secretary and Director, Wolfe Industries, Inc. and subsidiary companies Director, Health Care and Retirement Corporation of America
Vice President and Director, First Toledo Corporation (Manager of Health Care Fund), Lima, Ohio
Director, The Douglas Company, Toledo, Ohio
Frederic D. Wolfe
Secretary, Health Care Fund Chairman of the Board and President, Wolfe Industries, Inc. and subsidiary companies

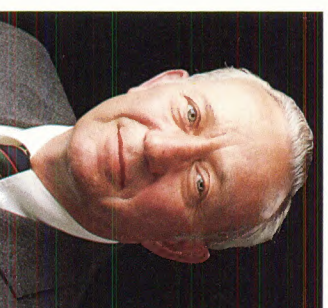


Frederic D. Wolfe



L. Eugene Duff

Chairman of the Board and Chief Executive Officer, Health Care and Retirement Corporation of America
President and Director, First Toledo Corporation (Manager of Health Care Fund) Director, Tower National Bank, Lima, Ohio
Gregory G. Alexander
Partner, Shumaker, Loop and Kendrick Toledo, Ohio
Russell R. Berman
President and Director, Ohio Citizens Bank Director, Sports Arena Company, Toledo, Ohio

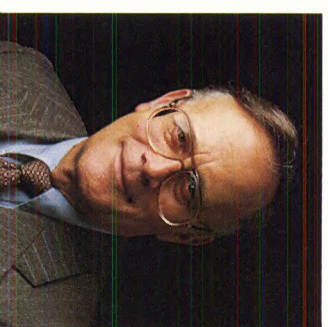


Gregory G. Alexander

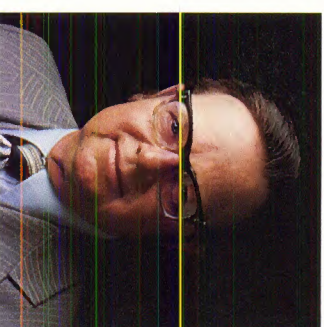


Richard C. Glowacki

Bruce Douglas
President, The Douglas Company, Toledo, Ohio
Director, German Village Products, Inc., Wauseon, Ohio Trustee, Medical College of Ohio Foundation, Toledo, Ohio
L. Eugene Duff
President, Duff Truck Lines, Inc. and subsidiary companies Director, Citizens Loan & Building Company Director, Tower National Bank, Lima, Ohio
Chairman of the Board, Farmers Banking Company, Lakeview, Ohio
Area Vice President and Director, Ohio Chamber of Commerce
Richard C. Glowacki
President, The Danberry Company



Russell R. Berman



Richard A. Unverferth

President, The Danberry Insurance Agency, Inc. President, The Danberry Construction Co. Partner, Bremon Building Co., Toledo, Ohio
Vice President, State of Ohio Board of Education
Richard A. Unverferth
President and Director, Unverferth Manufacturing Company, Inc. and subsidiary companies
President and Director, McCurdy Manufacturing Company, Kalida, Ohio
President and Director, H C F., Inc. and various subsidiaries (nursing home management)
Director, Tower National Bank, Lima, Ohio

